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Front Cover: This is the fifth illustration in a series showing men at work.
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THE ACTIVITY BAROMETER



OCTOBER 7, 1936 SEPTEMBER 2, 1936
90.9 90.0

Industrial activity in September held to the high level of the preceding month and, in some cases, such as steel, carloadings and electric power, showed further expansion. After allowance for seasonal changes, however, the September Barometer average was slightly below August. The latest weekly index figure, for the period ended October 7, stood at 90.9, compared with 90.0 a month earlier and 74.3 for the corresponding 1935 week.

BAROMETER AND ITS COMPONENTS (Estimated normal = 100)

	Activity Barometer	Steel Production	Car Loadings	Electric Power	Bank Clearings	Food Price Index
Oct. 7, '36	90.9	102.3	73.8	104.1	59.9	86.4
Sept. 30, '36	90.0	99.7	73.0	104.3	59.6	86.9
Sept. 23, '36	89.7	97.0	73.4	104.7	58.9	87.5
Sept. 16, '36	89.3	98.3	70.5	104.8	58.7	88.5
Sept. 9, '36	88.4	94.5	69.8	103.3	60.7	89.7
Sept. 2, '36	90.0	101.1	69.6	104.9	61.4	89.3
Oct. 9, '35	74.3	67.5	57.7	89.4	51.9	87.1

THIS ISSUE

To ascertain the progress made by small stores in 1935, a special analysis was made by Andree Emery of the data furnished by 12,361 retail concerns, representing 32 large trades, reporting to the DUN & BRADSTREET RETAIL SURVEY. The Analysis is chiefly of stores with an annual business averaging from \$10,000 to \$60,000. In the article "Sales Gains and Losses of Independent Retailers," are listed the various types of business and the year's results.

While the final interpretations of many of the provisions of the Robinson-Patman Act place heavy responsibility upon the Federal Trade Commission and upon the courts, Charles G. Daughters in his article "Lawful Discrimination Under the Robinson-Patman Act" points out the conditions under which certain discriminations may be made legally.

Especially noteworthy in the "Graphic Reviews of Major Trends" are the statistical summaries of the rayon and building industries. In the former, a new record has been established for the production and shipment of yarns, while permit values in the latter went 78 per cent ahead of the total for the first nine months of 1935 to a five-year high.

SALES GAINS AND LOSSES OF INDEPENDENT RETAILERS

by ANDREE EMERY

THE year 1935 brought a full swing toward business recovery. Production increased, the nation's income advanced, and the volume of sales kept pace with the general quickening of business activity.

Statistics measure the conditions of business as the thermometer measures a patient's temperature. Both contain certain signs by which men of sufficient knowledge and understanding can make a diagnosis. Sales volume is the flexible indicator of business health. Its upward trend is being followed closely by every one interested in business. To interpret the meaning of this trend, however, additional facts are needed. What types of business showed a normal sales increase? Why did others expand more rapidly? How much uniformity of change was there in the different trades? What kind of enterprise lagged behind the general tempo, and why? Was there a sufficient gross margin to make the quickened business activity profitable? Did sales increases appear to follow small margins? Were inventories increasing in proportion to sales, or did optimism run away with some business men?

Based on the data collected in connection with the Dun & Bradstreet Retail Survey, a special analysis of 12,361 retail concerns, representing 32 large trades, has just been completed. It must be emphasized that this analysis refers primarily to small stores, whose annual business ranges from \$10,000 to \$60,000 on the average, according to the trade. However, this limitation enhances its significance. Business trends in the larger establishments have

been frequently studied; but the far more numerous small stores have generally been neglected.

The Distribution of Sales Increases

How have sales progressed in these small enterprises? Over half of them—in a nation of small stores—increased their sales by more than 10 per cent in 1935 as compared with 1934. In one out of five stores sales advanced more than 30 per cent. Less than one-tenth reported any serious decline.

Cash registers rang most merrily in the luxury trades and in the durable goods trades. But their rapid advances in 1935 appear less spectacular when it is realized that they suffered most heavily during the depression and had to rise from an extremely low level, thus showing large percentage gains. Most food stores also enjoyed an increased activity. In the clothing trades fewer stores reported sales expansion, but with few individual enterprises reporting a loss of business in 1934 this group, as a whole, had more stable business than the other major trade groups.

The concerns answering the questionnaire were classified into four groups:

- (1) Those reporting sales losses (more than 10 per cent decline in sales from 1934 to 1935).
- (2) Those having a stable sales volume (from -10 to +10 per cent change).
- (3) Those reporting a modest increase in sales (from 10.1 per cent to 30 per cent).
- (4) Those experiencing marked sales expansion (over 30 per cent increase).

Increases by Trades

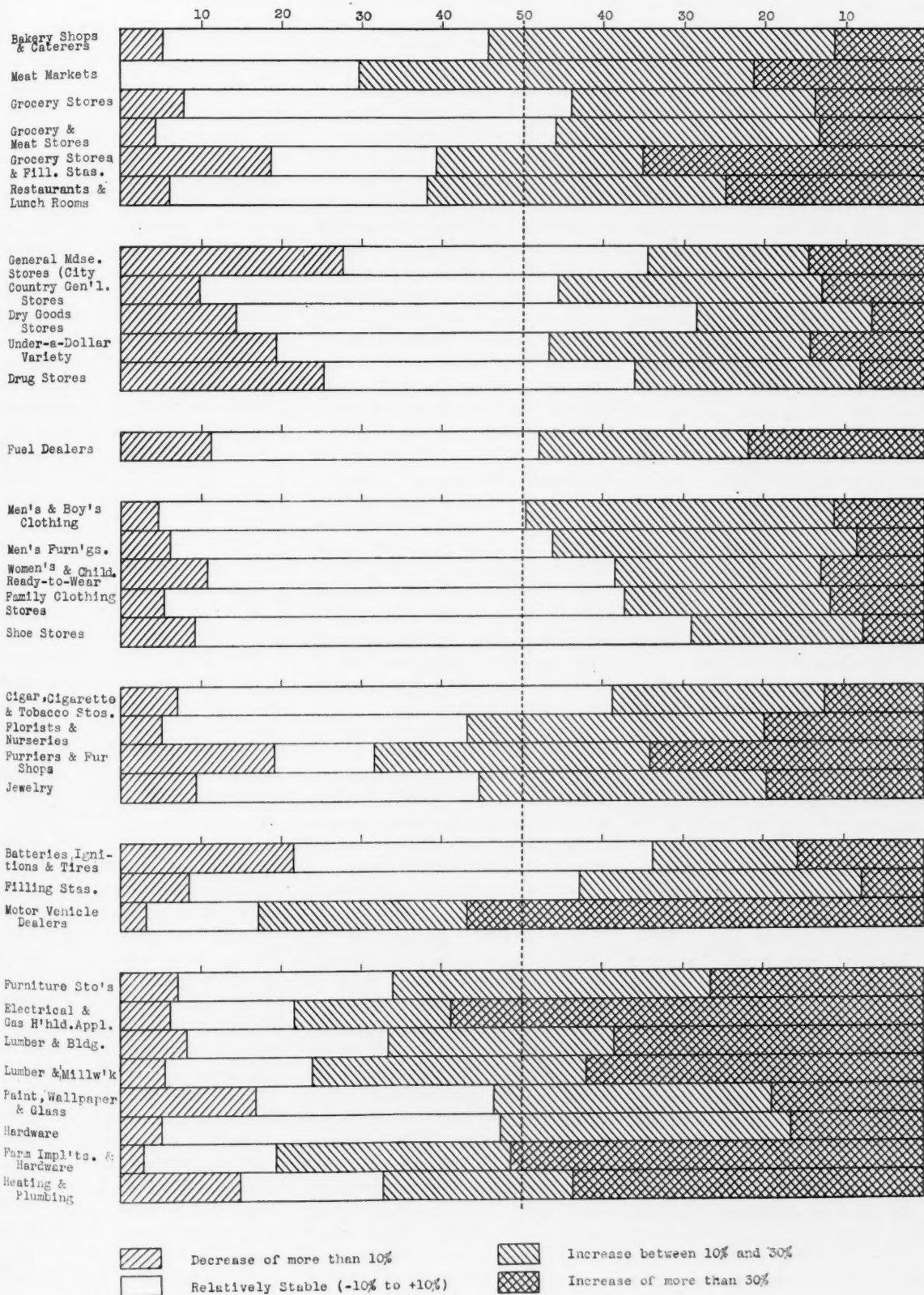
Among the individual trade groups motor vehicles led the parade. Using the categories listed above, 83 per cent of the automobile dealers reported a marked expansion of sales. Farm implements followed closely, 29 per cent experiencing a modest sales increase, and 51 per cent reporting marked sales expansion. Also making notable progress were the trades connected with home construction and home improvement, such as electric and gas appliances, lumber and millwork, lumber and building, heating and plumbing, and paint and wallpaper.

The detailed distribution of the stores in each of the trades studied, according to their 1935 sales change from 1934, is shown in the chart on the opposite page. The white area in each bar may be taken as an indication of the degree to which the stores in the trade recorded little change in the volume of sales in 1935 and 1934. The amount of shaded area at the left indicates the percentage of the stores which met with serious losses of sales, and the shaded area at the right indicates the stores whose sales showed a marked increase. Of course, the comparison of 1935 with 1934 cannot be assumed to present a picture which will be reproduced each year.

After four years of depression, consumers hurried at the first opportunity to improve their homes, equip them with modern conveniences, buy furniture, change their cars, and so on. The countryside, likewise, began to move. Many more agricultural implements were bought; and

**DISTRIBUTION OF INDIVIDUAL COMPANIES ACCORDING TO THE RATE
OF CHANGE OF SALES VOLUME FROM 1934 TO 1935**

(in percentages of reporting companies, for 32 trades)



typical country stores, like the combination grocery and filling station, reported in fairly large numbers that sales had increased by more than 30 per cent over the previous year.

Luxury goods, dormant for the last few years, made progress. More than half of the furriers, florists and jewelers expanded their sales appreciably. The fact that tobacco and cigar stores lagged behind should not be interpreted as sluggishness, for tobacco was the only luxury the public bought consistently during the depression.

The fur trade seems to be in a state of flux. While a great number of furriers reported advances, sales fell off substantially in about 20 per cent of the enterprises. It would be worth while to investigate the reasons for this development. Whether the ailing enterprises were new ventures, uncautiously launched in a reopening field, or old stores, which could not recover from the depression, cannot be told from the present figures. The trade has always been known as an extremely unstable one.

A similar variation appears in the paint and wallpaper trades, and among combination grocery stores and filling stations. In this last group it can be ascribed to the newness of the field. The rise of business activity in rural areas resulted in the establishment of many small combination grocery stores and filling stations which did not succeed because of a limited market or poor management.

Ignition, battery and tire stores showed proportionately little stimulation of trade, and many concerns even reported losses, possibly a result of the increased sales of new automobiles and the scrapping of cars which had required unusual quantities of service and parts replacement.

The Food Trades

In the food field, meat markets lead, with 70 per cent of the businesses reporting sales increases. Not a single reporting enterprise

lost sales volume. More than half of the bakery shops, caterers, restaurants, and lunchrooms also reported increases. Grocery stores and combination grocery and meat markets, expanded in comparatively fewer instances. These trades have a greater proportion of stable stores, which in 1934 already showed a fair volume of sales. Their business is sound, even though the advance in sales is not conspicuous. In support of this opinion very few of these stores reported losses in sales.

Clothing stores, as already mentioned, reported proportionately fewer cases of stimulated sales. Men's and boys' clothing stores and haberdasheries seem to have advanced more rapidly than women's ready-to-wear and family clothing stores, or shoe stores. Shall we assume that vanity has overtaken the men of the nation? Or were ladies buying clothes steadily, depression or no depression, while their husbands began only recently to replenish the empty wardrobe? Shoe stores did not report much change; their sales were more or less stable. The concerns reporting loss of sales were less than 10 per cent of the total number.

A fair number of fuel dealers enjoyed increasing sales. Nevertheless more than 10 per cent lost sales in the past year, probably because of the increasing competition from direct selling truckers and from the oil-burner trade.

The most varied reports came from the general stores group. Urban general stores (exclusive of the large department stores) were the group suffering the largest number of sales losses for 1935—even more than those reported by the automobile accessory stores. On the other hand rural general stores showed a fair proportion of sales increases, especially of conservative increases between 10 and 30 per cent. At the same time, they reported not more than 10 per cent of losing enterprises. Drug stores were dangerously near to the level of city general stores; 25 per cent of

them reported a loss of sales, 39 per cent were in the "stable group" and only 36 per cent made gains of over 10 per cent.

Sales Increases and Profits

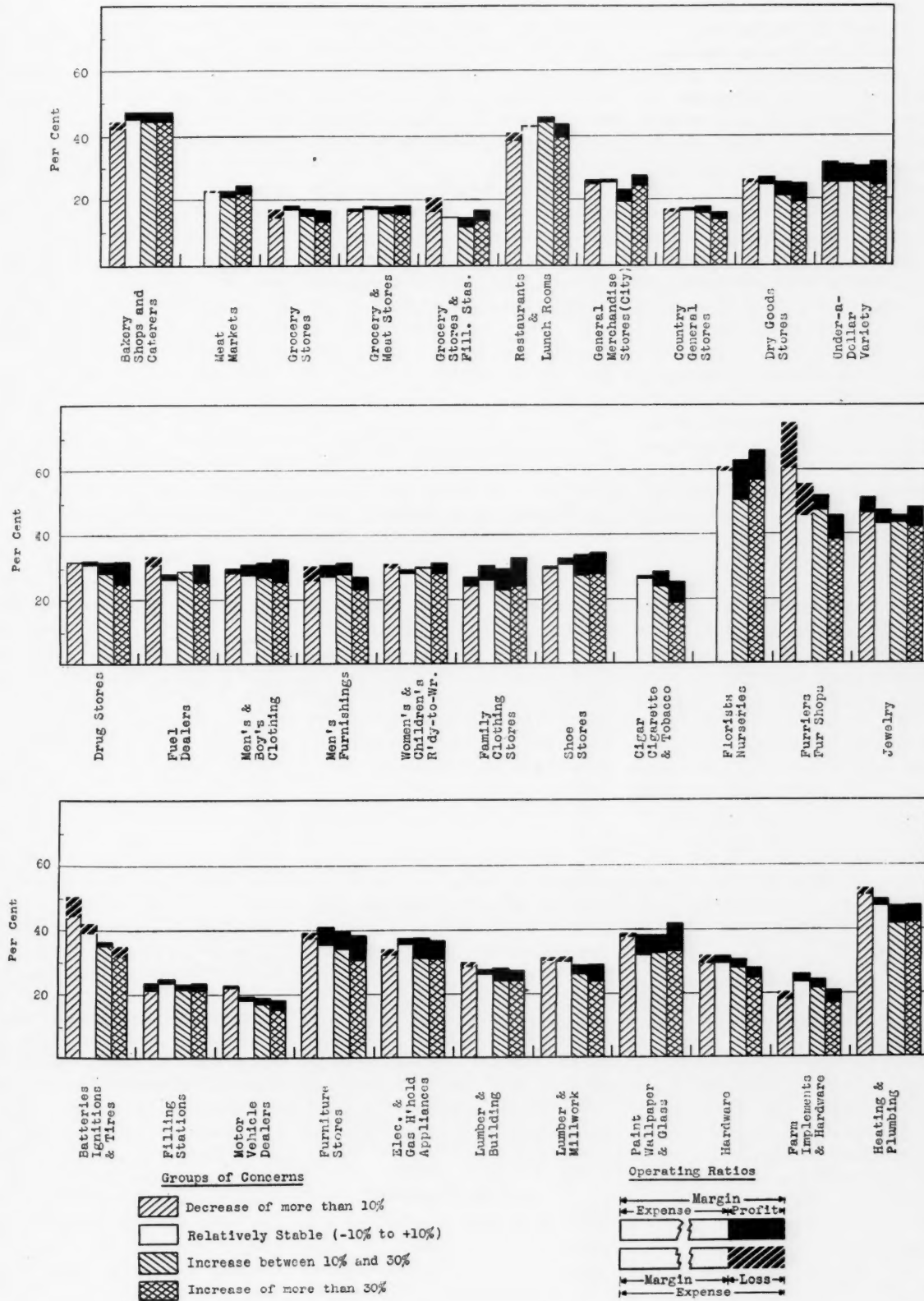
The analysis has revealed an encouraging advance in retail sales. But this upward trend is meaningless from the business point of view without a parallel increase in profits. What was the relationship between the trend of sales and profits in 1935? To answer this question the 12,000 selected companies were also analyzed according to the gross mark-up and the overhead expenses which they reported. The figures reveal very interesting variations in the different trade groups—especially if their inventory policy is also taken into consideration. Within the limits of the present article, however, their significance can only be touched upon.

An attempt has been made, in the chart on the opposite page, to present the expense and profit or loss picture for each of the four groups for each trade. Although at first glance, the chart appears most complicated, it contains so much new information that it is well worth careful study. In any trade, there are four bars, the one at the left referring to the stores which lost more than 10 per cent in sales volume, the second bar being the stable group, the third bar the stores with a moderate increase and the fourth bar those where the increases were more than 30 per cent. If the top of the bar is black, the typical store in the group earned a profit, the amount of which is indicated by the amount of black. If the top of the bar is marked with diagonal bars, the typical store in the group lost money. The height of the bar is expenses plus profits, if any, expressed as a percentage of sales.

Men's clothing stores appear to be the model of good management. They had a more or less stable margin, decreasing overhead expenses with rising sales, and a small profit even with sluggish

RELATION BETWEEN PROFITS AND INCREASED SALES

(median overhead expenses and gross margins expressed as per cent of sales, for companies grouped according to trend of sales 1934 to 1935)



sales. Development was also normal among the country general stores and grocery stores, though the profits of the latter grew more rapidly with increasing sales.

A number of trades—including dry goods, under-a-dollar variety and men's clothing stores, etc., retained virtually the same margin whether sales increased or decreased. This steady margin was most evident in the drug trade. Profits generally increased with mounting sales, except in the under-a-dollar variety stores, where profits remained steady, regardless of the loss or gain of sales. (The under-a-dollar variety stores answering the questionnaire of the Retail Survey represent only about 12 per cent of the entire trade. These concerns are mostly independent stores, whereas the majority of the trade is organized into chains. Therefore, all generalizations of the variety trade must be limited to this specific group.)

Besides the under-a-dollar variety stores, the average jeweler and the family clothing store showed steady profits, whatever the changes in sales volume. Furniture stores, paint and wallpaper trades, men's clothing and accessory stores made fair profits, except for those with decreased sales. The paint and wallpaper business managed to increase its gross margin substantially, when sales increased over 30 per cent. The successful concerns were generally the smallest in the trade. It is likely that they were also the newest.

Industries with Losses

It is interesting to note that in about one-third of the lines, even the stores whose sales were 10 per cent or more below those of the previous year, reported a profit. On the other hand, of all the groups of increases of 10 per cent or more, the automobile accessories group is the only one to record a loss. The stable stores showed losses in five trades.

The ledgers still showed red ink in some trades where sales

remained on the same level as in 1934. This applies particularly to lumber and millwork, grocery and filling stations, meat stores and restaurants. The stores which lost sales had a comparatively high margin and suffered heavy losses. Where sales increased over 30 per cent, margins were again raised substantially to assure profits.

Furriers faced considerable losses when sales decreased or remained stationary. As a general rule, only those fuel dealers accounted for profits which increased sales by more than 30 per cent. The others showed losses, possibly because of a disproportionately low gross margin.

Similarly, women's ready-to-wear stores did not show profits with moderately-increased sales. Other trades, particularly the electrical appliance stores and the florists, made higher profits when the sales increase was moderate than when it was excessive. The florists' overhead expenses rose sharply with stimulated business, while the electrical appliance stores reduced their gross margin disproportionately to achieve a larger sales increase. Those electrical appliance stores which lost sales tried also to lower the margin drastically, but nevertheless sustained losses.

Other trades—for example, the automobile accessory trades—met with serious losses despite large advances in sales. It must be remarked, however, that this analysis is restricted to the small ignition, battery and tire stores which constitute only a fraction of the entire automotive accessory trade. Among them only the stores which secured a moderate sales increase showed normal profits. The other battery and tire stores evidently dumped bargains on the market to increase their sales.

Inventory Increases

If the inventory policy of the different trade groups is compared with the growth of sales, it is found that in one-third of the

trade groups the concerns with decreasing sales added to their inventories—in some instances substantially. Family clothing stores, while losing sales, increased their inventory by 8 per cent; women's and children's ready-to-wear stores, men's and boys' clothing stores and lumber dealers also increased their inventory by 4 per cent while losing sales.

Some of the businesses with sluggish sales were also optimistic in their stock purchasing policy. For example, the electrical appliance stores, whose sales were stationary increased inventory on the average by 18 per cent.

The stores, which reported advancing sales apparently had more conservative buying policies. Only lumber and millwork and florists among the stores with normal sales expansion added to their inventory disproportionately.

Motor vehicle dealers in general enlarged their inventories more than their sales. For example, those who suffered sales losses, reported 18 per cent increase in inventory. However, these figures cannot be taken at their face value. The heaviest stock purchases in the automobile trade are made usually after the annual exhibition, which up to 1935 was held at the end of the year. Before the exhibition, inventory is lowest. In 1935, the exhibition was held in November, and purchases were made earlier than the year before. Consequently, the inventory for the end of the year cannot be justly compared with that of 1934.

The analysis of the trend of sales as a whole, provides ample grounds for optimism. The development it reflects should be carefully watched. There is always danger in the problem of adjustment to the requirement of an expanding market. Carelessness about costs, and over-optimism about the continuation of the trend can change profits into losses. And the variations of individual enterprises, even within one trade, are clearly shown above.

LAWFUL DISCRIMINATION UNDER THE ROBINSON-PATMAN ACT

by CHARLES C. DAUGHTERS

THE Robinson-Patman Act provides a basis on which permissible price discriminations may be made. The Act reads that nothing "herein" shall prevent differentials which make only due allowance for differences in the cost of manufacturing, sale or delivery. The wording "resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered" might have been omitted from the Act; it is difficult to conceive how differences in cost can occur except by reason of differing methods or quantities in which the commodity is made, sold or delivered.

The wording "differences in the cost of manufacture, sale or delivery" therefore, is of primary importance to every buyer and seller whenever a question of price discrimination is involved. If the discrimination is based solely on such a difference, then there can be no resulting liability to either.

There are two good and important reasons why this wording finds its way into the Act, why it remained unchanged from the time the bill was originally introduced, and why all efforts to change or eliminate it met with determined opposition on the part of the proponents of the bill.

Power of Large Buyers

The first reason is that agitation for an amendment to the Clayton Act arose out of a general belief that large mass buyers in the field of distribution were obtaining prices, under the pressure and inducement of large quantity orders, which did not return to the seller the same proportion of his cost of manufacture, selling or delivering as sales to smaller cus-

tomers. Sellers could not resist, and, in fact, had become helpless under this large-order pressure and were therefore compelled to load their unabsorbed costs as well as all their profit onto the less powerful and smaller customers. In the opinion of the proponents of the Act, this supposedly widespread unfair price discrimination was forcing the small merchant and manufacturer out of business, and tending to create a monopoly by tending to concentrate the distribution of merchandise in the hands of a few. This belief is evident throughout all the hearings on the Act and the various speeches of members of Congress in behalf of the bill. So, to meet this, the limitation of discrimination to cost differences was established as the test.

The second reason for retaining these limitations on price differentials was that, not to do so, would have involved writing a positive price-fixing law which has been, and still is, contrary to all accepted concepts of political economy and the American System. Establishing limits is far different from exact determination.

Limitation on Quantity Discounts

This provision presents a wide latitude for legal price discrimination,—so wide, in fact, that a lawful discrimination may even result in "substantially lessening competition, or tend to create a monopoly,—or injure, destroy or prevent competition with any person who either grants, or knowingly receives the benefit of such a discrimination, or with customers of either of them."

That this is so, is evident in the fact that, where the effect of per-

mitting such a wide latitude in price discrimination results in "unjust discrimination or promotive of monopoly," the Federal Trade Commission may step in and "fix and establish quantity limits." The significant thing, however, is that neither buyer nor seller need fear liability of violating the Act as long as price discriminations do not exceed "differences in cost of manufacture, sale, or delivery," nor until "the Federal Trade Commission has, after due investigation and hearing to all interested parties," determined that "available purchasers in greater quantities are so few as to render differentials" in price on account of differences in cost of manufacture, sale or delivery "unjustly discriminatory or promotive of monopoly" and "fixes and establishes quantity limits." Then no buyer or seller may legally enter into a price discrimination, even when based on differences in cost of manufacturing, selling or delivering for any quantity bracket in excess of the quantity limit so fixed.

Overhead Costs

There is still stronger evidence of the alertness of Congress to the latitude provided for price discrimination in the proviso under discussion herein in the attempt to define "differences in the cost of manufacture, sale or delivery" by the immediately following words "resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered." On this wording, Congress endeavored to place an interpretation which would so delimit price discriminations based on differences in cost of manufacture, sale or de-

livery, as to bring them within the narrowly circumscribed area desired by the proponents of the Act. What Congress endeavored to establish as the proper interpretation was that overhead costs could not be variously imputed to different customers, unless the cost was clearly applicable to the particular transaction and not inseparable from the business as a whole. That an additional sale would not increase overhead costs, is no proper basis for exempting it from its proportionate share of the total. Whether this intent and desired interpretation will be upheld rests upon final decision and interpretation by the courts. Final disposal of this question by the courts will be an important milestone in the practical application of the Robinson-Patman Act.

Is there any place in the Act and are there any conditions under which a discrimination greater than "differences in cost of manufacture, sale or delivery" can be legally made other than the obvious cases of lack of Federal jurisdiction? The answer appears to be—yes.

The Injury Test

The discriminations in Section 1(a) which are prohibited must meet a specific test—they must substantially lessen competition, tend to create a monopoly, or injure, destroy or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them.

The above discussion described how discriminations equal to differences in cost of manufacture, sale or delivery may be legal even though they lessen competition, tend to create a monopoly, or injure, destroy or prevent competition, et cetera. If we consider permissible discriminations as opposed to those not permitted, we must presume that any discrimination, whether greater or less than differences in cost, which does not lessen competition, but preserves it, which does not tend to create a monopoly but prevents it, and

which does not injure, destroy or prevent competition through a competitor, or of customers of either party to the discrimination, is a legal and valid discrimination.

If through such a price difference competition is provided on an equal footing for either party to the discrimination, or customers of either, it does not necessarily follow that either party, or customers of either, have been injured.

Let us take an illustrative case. A is a wholesaler, B is a large retailer and X is a manufacturer who has received from both wholesaler A and retailer B, an identical order. Manufacturer X makes the same price on these identical orders to both wholesaler A and retailer B. Wholesaler A finds that, after he has added the cost of his wholesaling function into the price he makes his customers who are retailers, those of his customers who are in competition with retailer B cannot meet B's competition. Thereupon, wholesaler A complains to manufacturer X that he has been discriminated against by X even though X gave him the same price that he gave large retailer B on the same identical order.

What is the defense of manufacturer X? Technically A and certain of A's customers have been discriminated against and have been injured since they cannot sell the same merchandise in competition with retailer B except at a loss. The Robinson-Patman Act provides, however, that, even though the result of a discrimination is injury, if the discrimination made only due allowance for differences in cost of manufacture, sale or delivery, resulting from the differing methods or quantities by which such commodities are to be such purchasers sold or delivered, that discrimination is not prohibited by the Act. X's price was the same to purchasers A and B on the same identical orders and therefore could not be said to exceed differences in cost of manufacture, sale or delivery, for the methods and

quantities were identical by which the commodities were sold and delivered to purchasers A and B.

Functional Discounts

Now again, wholesaler A and large retailer B's orders being identical,—suppose manufacturer X's profit margin is such that he can give wholesaler A a large enough discount to absorb A's wholesaling cost and permit A's customers to sell the commodity in competition with large retailer B. Retailer B complains against manufacturer X.

What is manufacturer X's defense in this case? According to Section 1(a) of the Robinson-Patman Act, the only price discriminations which are prohibited, are those which tend to create a monopoly, lessen competition, injure or destroy a competitor's business or the business of a customer of either of the parties to the discrimination.

By giving wholesaler A the discount, he has not lessened competition but preserved it by enabling A's customers to compete with large retailer B. He has not injured B because the amount of the discount was only great enough to permit wholesaler A's customers to sell at the same retail price as large retailer B and did not permit of underselling B. If this is so, then the fact that the discount or discrimination exceeded the difference in cost of manufacture, sale or delivery, does not present a case for large retailer B.

Therefore, not a tendency to create a monopoly but injury to competitors seems to be the determining factor. Any price discrimination which does not injure competitors is not prohibited. However, even though injury to competitors may be the result, any discrimination is still valid which does not exceed differences in cost of manufacture, sale and delivery. But even so, there may be a limit to that otherwise valid discrimination, but not until the Federal Trade Commission conducts hearings and, in its opinion, deter-

concluded on page 40

ANALYZING THE RECORD OF COMMERCIAL FAILURES

COMMERCIAL failures for the month of September were 586 in number, the lowest monthly figure recorded in recent years. This new figure is 10.5 per cent below last month and 25.5 per cent below the figure of a year ago. Liabilities, however, were larger than those for August. Normally, the year's record of failures reaches its lowest point in September.

September Failures, 1920-1936

Year	Number	Liabilities
1936.....	586	\$9,819,152
1935.....	787	17,002,311
1934.....	771	15,551,896
1933.....	1,075	16,662,734
1932.....	2,182	56,127,634
1931.....	1,936	47,255,650
1930.....	1,963	46,947,021
1929.....	1,568	34,124,731
1928.....	1,635	33,956,686
1927.....	1,573	32,786,125
1926.....	1,437	29,989,817
1925.....	1,465	30,687,319
1924.....	1,306	34,296,276
1923.....	1,226	28,698,649
1922.....	1,566	36,908,126
1921.....	1,466	37,020,837
1920.....	677	29,554,288

It is important to keep in mind that the record of business failures should be taken only as an indicator of business difficulties. The cases of reorganization under the 77-B procedure are not included in the above figures, but appear separately on a later page. The separation is made primarily be-

cause of the difficulty in obtaining liabilities figures for 77-B cases. While the 77-B cases are much fewer in number, they include the more important individual instances where corporations have large and complicated financial structures. It is worthy of note that in recent months the measures of both types of financial reorganization have tended to move together, the current record of 77-B cases being the smallest since the procedure was inaugurated in June, 1934.

Neither of these measures gives more than indirect evidence concerning the many cases which are handled outside of legal channels, through private settlement and compromise. Such cases vary all the way from postponement of collections, to actual reduction of past due accounts to permit customers to continue their existence, in the hope of improvement in the near future. From the point of view of the individual seller's credit policies, they are perhaps the most troublesome cases of all, since there are no clearly charted procedures to be followed more or less automatically, as in the failures and 77-B cases.

The decrease in the number of failures since the beginning of the

Number of Failures

	1936	1935	1934	1933
January	1,077	1,146	1,317	2,889
February	856	956	1,017	2,367
March	946	940	1,069	1,912
April	830	1,083	1,020	1,902
May	832	1,004	942	1,846
June	773	944	992	1,596
July	639	902	870	1,375
August	655	884	872	1,427
September	586	787	771	1,075
October .....	...	1,056	1,039	1,167
November .....	...	898	882	1,195
December .....	...	910	933	1,103
Total U. S. ....	...	11,510	11,724	19,859

Liabilities

(Thousands of dollars)

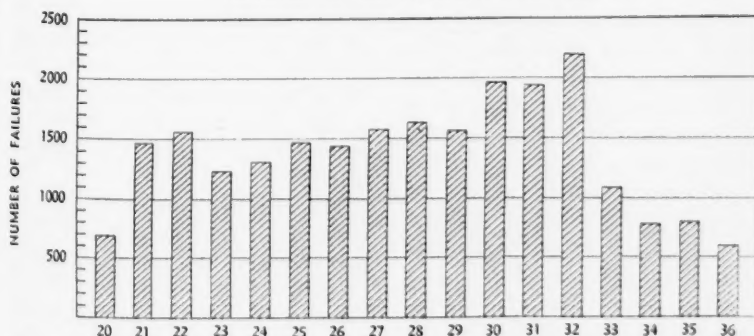
	1936	1935	1934	1933
Jan.	18,104	14,603	29,035	77,064
Feb.	14,089	15,217	16,772	63,694
Mar.	16,271	15,361	24,002	44,806
Apr.	14,157	16,529	22,871	49,522
May	15,375	14,339	20,787	43,469
June	9,177	12,918	20,591	31,697
July	9,904	16,523	16,555	22,980
Aug.	8,271	13,266	15,703	37,287
Sept.	9,819	17,002	15,552	16,663
Oct. ....	...	17,185	16,973	27,254
Nov. ....	...	14,384	14,376	21,210
Dec. ....	...	15,686	16,981	21,874
Total U. S.	183,013	230,198	457,520	...

year has been more rapid this year than for the past two-year period. Failures in September were 45.5 per cent lower than in January, compared with a 41.4 per cent decrease from January to September in 1934 and 31.3 per cent in 1935. Of course, much of this decline is the usual seasonal pattern, but it is worthy of note that the seasonal decline has evidently been extended this year.

The increase in total liabilities is a reflection of an increase in the number of large failures. The liabilities figures during the last three months have been extraordinarily small, and despite the increase this month the figure is still 42.2 per cent below that of last year.

In making comparisons of liabilities figures which reach back of June, 1934, it must be remembered that most of the large failures have utilized the 77-B procedure. However, since that time, the cases with large liabilities have fallen steadily. This trend is analyzed in greater detail at a later point in

RECORD OF SEPTEMBER FAILURES



Commercial failures in September, adhering to the seasonal pattern, touched the low point of the year. Not since 1919, or seventeen years, has the current figure of 586 been equalled. In that year the total was 457.

this article. It should be kept in mind that the liabilities figure here presented represents the total obligations reported, so the final losses involved will presumably be somewhat less. On the other hand, credit losses are present in many instances where no formal legal procedure is involved. The failures record is significant as an indicator of, rather than as a measure of, financial difficulty.

Insolvency Index

The most significant single figure in the record for purposes of seeing the trend is the insolvency index. It corrects the original data for number of reported failures so that the underlying movement of this business indicator is depicted much more accurately. The insolvency index measures the annual rate at which business concerns would fail if the number of actual failures in any one month and the estimated total number of business enterprises prevailed throughout the year. To obtain the index number, failures in the month are divided by the number of working days in the period and the result is multiplied by the number of working days in the year. This is expressed relative to the total number of business concerns as determined from the names listed in the Dun & Bradstreet Reference Book. The insolvency index has been revised recently, and revised figures since

DUN'S INSOLVENCY INDEX

Apparent Annual Number of Failures for Each 10,000 Listed Commercial Enterprises

	New Series				Old Series				Average
	1936	1935	1934	1933	1933	1932	1931	1930	
January	62.8	66.7	77.0	172.5	179.4	201.8	188.4	150.2	139.5
February	56.4	66.0	67.3	155.4	159.0	165.9	169.0	146.7	128.2
March	53.0	55.0	60.4	109.1	111.4	159.7	146.0	128.4	110.4
April	50.3	63.5	62.4	117.3	119.6	158.0	134.1	125.0	107.4
May	46.3	58.8	55.4	107.8	113.9	162.0	131.7	119.9	104.5
June	44.5	57.5	58.4	94.4	99.9	155.2	112.4	114.4	100.8
July	38.2	52.8	51.2	84.6	90.4	156.3	112.1	112.4	95.7
August	36.4	49.8	49.5	80.9	86.7	155.5	111.3	105.7	90.9
September	33.4	50.0	48.8	65.7	71.0	132.1	114.0	112.9	87.2
October .....	.....	61.8	60.7	71.1	76.6	137.8	134.7	117.0	90.2
November .....	.....	59.4	55.8	75.8	82.1	130.9	141.2	127.0	107.1
December .....	.....	53.3	56.6	67.4	74.0	145.3	158.8	140.7	112.0
Yearly Average	46.8*	57.9	58.6	100.2	105.8	153.3	133.4	120.7	106.2

(*) Based on first nine months.

1933 are given in the table along with figures for earlier years.

The insolvency index for September reached the low level of 33.4 per cent. This is the annual rate of failures for each 10,000 concerns in business. The drop in the index is less than that shown in the number of failures, because there was one less working day in September than in August.

The smoothing out of the monthly variations by adjustment to the number of working days in each month shows that a persistent decline in failures since the beginning of the year has dominated the record. There has been a marked absence of the erratic high and low points from month to month that have usually occurred in the index.

During the first six months of this year, the decline shown by the index corresponded rather closely with the average monthly behavior for 1925-1929, a period when no de-

cided upward or downward trend was in evidence. However, the decline from last June to July was the greatest shown in recent years, and suggested that perhaps the July figure was so low that August could not decline as it usually does. However, the index did decline in August at about the normal seasonal rate. The following table shows the August-September movement in recent years:

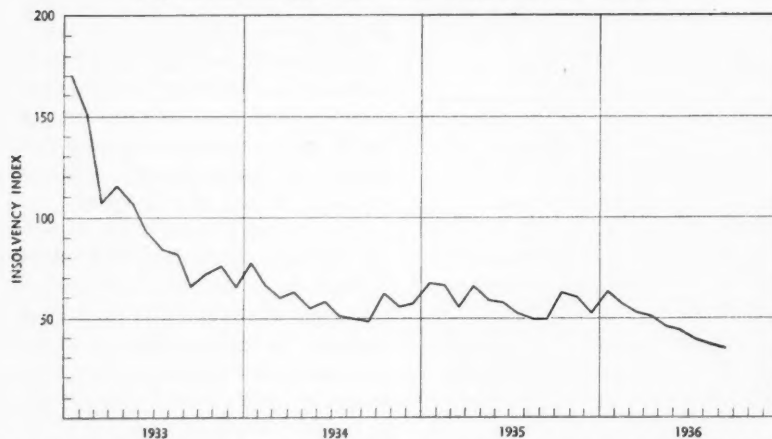
Insolvency Index Change from August to September, Yearly Since 1921

	August	September	Per Cent Change
1921.....	93.4	94.5	+ 1.2
1922.....	99.8	98.5	- 1.3
1923.....	79.0	79.6	+ .8
1924.....	88.9	79.0	-11.1
1925.....	85.7	86.2	+ .5
1926.....	88.5	82.9	- 6.3
1927.....	90.8	90.1	- .8
1928.....	97.6	86.7	-11.2
1929.....	92.1	90.2	- 2.1
1930.....	105.7	112.9	+ 6.8
1931.....	111.3	114.0	+ 2.4
1932.....	155.5	132.1	-15.0
1933.....	80.9	65.7	-18.8
1934.....	49.5	48.8	- 1.4
1935.....	49.8	50.0	+ .4
1936.....	36.4	33.4	- 8.2

It is evident that the relationship between the August and September figures is quite mixed, though it is interesting to note that either August or September as the case may be has so far been the lowest month in every year. Of the fifteen years prior to 1936 given in the table, only four showed a greater decline than the current record.

The current rate of failures is lower than that in any earlier period within the last forty years, except 1919 and 1920, when it reached a level of about 30 failures per 10,000 enterprises per year. During that period, the index con-

MONTHLY TREND OF THE INSOLVENCY INDEX



The Insolvency Index following the usual seasonal course touched the low point of the year in September when it stood at 33.4. This was 3 points below August and 16.6 points under September, 1935.

Failures by Divisions of Industry—September, 1934-1936

(Liabilities in thousands of dollars)

MANUFACTURING	ASSETS			LIABILITIES		
	1934	1935	1936	1934	1935	1936
Foods	33	45	37	487	1,029	536
Textiles	20	30	21	848	617	578
Forest Products	14	6	11	377	71	857
Paper, Printing and Publishing	7	12	11	258	94	98
Chemicals and Drugs	2	9	5	148	260	295
Fuels	1	5	2	45	58	105
Leather and Leather Products	3	8	10	208	275	458
Stone, Clay, Glass and Products	1	1	4	5	8	243
Iron and Steel	8	5	8	190	65	390
Machinery	6	3	8	403	30	869
Transportation Equipment	2	2	3	27	132	440
All Other	10	17	22	216	201	558
Total Manufacturing	107	143	142	3,212	2,840	5,427
Per cent of month's total	18.2	18.3	18.4	32.7	16.7	34.9
WHOLESALE TRADE						
Farm Products, Foods, Groceries	28	30	35	357	760	1,052
Clothing and Furnishings	2	7	2	7	678	8
Dry Goods and Textiles	..	..	4	..	..	73
Lumber, Bldg. Materials, Hardware	6	5	5	104	107	108
Chemicals and Drugs	4	2	3	92	19	175
Fuels	2	3	..	139	56	..
Automotive Products	5	5	1	44	90	17
Supply Houses	2	7	1	9	39	4
All Other	20	12	12	759	87	261
Total Wholesale Trade	69	71	63	1,511	1,836	1,698
Per cent of month's total	11.8	9.0	8.2	15.4	10.8	10.9
RETAIL TRADE						
Foods	118	173	138	853	1,425	954
Farm Supplies, General Stores	16	31	34	203	385	333
General Merchandise	11	24	18	133	325	338
Apparel	46	60	62	405	449	481
Furniture, Household Furnishings	10	16	15	53	368	283
Lumber, Bldg. Materials, Hardware	18	34	37	220	325	533
Automotive Products	28	46	46	287	660	665
Restaurants	32	43	43	263	3,105	694
Drugs	30	32	34	337	254	377
All Other	19	30	37	637	1,243	587
Total Retail Trade	328	489	464	3,391	8,539	5,245
Per cent of month's total	56.0	62.1	60.2	34.5	50.2	33.8
CONSTRUCTION						
General Contractors	10	7	16	351	736	642
Carpenters and Builders	12	6	24	382	39	1,034
Building Sub-contractors	21	24	26	415	237	435
Other Contractors	..	1	1	..	173	7
Total Construction	43	38	67	1,148	1,185	2,118
Per cent of month's total	7.3	4.8	8.7	11.7	7.0	13.6
COMMERCIAL SERVICE						
Cleaners and Dyers, Tailors	6	12	7	40	291	122
Haulage, Busses, Taxis, etc.	13	9	10	108	1,117	100
Hotels	5	8	8	146	84	715
Laundries	3	2	3	43	18	14
Undertakers	3	4	3	26	34	28
All Other	9	11	4	194	1,058	85
Total Commercial Service	39	46	35	557	2,602	1,064
Per cent of month's total	6.7	5.8	4.5	5.7	15.3	6.8
Total U. S.	586	787	771	9,819	17,002	15,552
Per Cent	100.0	100.0	100.0	100.0	100.0	100.0

An even greater increase in proportion has been recorded by the construction industry. Because the other groups were relatively stable the decline in retail brought its percentage of the total down to 56.0 per cent, the smallest percentage recorded for this group in recent years.

The comparison of the current month with the figures for September, 1935, further emphasizes this decrease in retail trade. The decline in the total number is 201, of which 161 are in this group alone. Within the retail trade group the improvement appears to be widespread. The only subdivision which does not record a marked improvement in the year's comparison is drug stores. Failures of retail food stores declined from 173 to 118, and for general stores the number was approximately cut in half.

The improvement in conditions in retail trade is further demonstrated by the great reduction in liabilities resulting from such failures. Here again every line showed improvement with the exception of drug stores, and the total fell from \$8,539,000 to \$3,391,000.

Failures by Size

In attempting to analyze the failure record by size, it is necessary to use the estimated amount of liabilities as a basis, although, of course, the amount of debts is not necessarily in direct proportion to sales or capital invested. At least, one can make the rough assumption that a small enterprise will be unable to run up large liabilities, while a large enterprise will not be brought into the courts unless it has done so. Nor can the figures be taken as indicating the impact of business difficulty in different size groups, since the 77-B record includes most of the larger cases.

The past record for failures by size shows a definite reversal of trend. Dividing all failures into four size groups used in the tabulation, the two larger groups, which in recent months have been

continued at a low level for some months, beginning to rise rapidly in October, 1920.

Failures by Divisions of Industry

Perhaps the outstanding feature of this month's record is the fact that the decline from August is found entirely in a reduction in the number of failures appearing in retail trade. Of course, inasmuch as retail enterprises have customarily contributed about three-fifths of all the failures, it always

is of major importance, but it is most unusual for it to move so differently from the other groups. To be sure, the manufacturing group had shown an extraordinary decline in the previous month, but the current figure is slightly above its normal share of the total. The stability shown by the record of failures in the wholesale trade has meant that its percentage of the total has steadily increased and was larger in September than in any month in recent years.

Failures by Industrial Groups and Size of Liabilities—September, 1934-1936

(Liabilities in thousands of dollars)

	1936				1935				1934			
	Number	Per Cent	Liabilities	Per Cent	Number	Per Cent	Liabilities	Per Cent	Number	Per Cent	Liabilities	Per Cent
Manufacturing	107	100.0	3,212	100.0	143	100.0	2,840	100.0	142	100.0	5,427	100.0
Under \$5,000	31	29.0	94	2.9	39	27.3	126	4.4	34	23.9	95	1.8
\$5,000—\$25,000	47	43.9	552	17.2	79	55.2	861	30.3	62	43.7	730	13.5
\$25,000—\$100,000	20	18.7	990	30.8	16	11.2	607	21.4	28	19.7	1,277	23.5
\$100,000 and over	9	8.4	1,576	49.1	9	6.3	1,246	43.9	18	12.7	3,325	61.2
Wholesale Trade	60	100.0	1,511	100.0	71	100.0	1,836	100.0	63	100.0	1,898	100.0
Under \$5,000	14	23.3	33	2.2	13	18.3	37	2.0	15	23.8	44	2.6
\$5,000—\$25,000	42	69.9	492	32.6	43	60.6	463	25.2	33	52.4	358	21.1
\$25,000—\$100,000	11	18.3	525	34.7	12	16.9	466	25.4	12	19.0	553	32.6
\$100,000 and over	2	3.3	461	30.5	3	4.2	870	47.4	3	4.8	743	43.7
Retail Trade	328	100.0	3,391	100.0	489	100.0	8,539	100.0	464	100.0	5,245	100.0
Under \$5,000	171	52.1	408	12.0	253	51.7	634	7.4	222	47.8	570	10.9
\$5,000—\$25,000	132	40.3	1,319	38.9	204	41.7	2,104	24.6	203	43.8	2,108	40.2
\$25,000—\$100,000	21	6.4	911	26.9	22	4.5	967	11.3	32	6.9	1,400	26.7
\$100,000 and over	4	1.2	753	22.2	10	2.1	4,834	56.7	7	1.5	1,167	22.2
Construction	43	100.0	1,148	100.0	38	100.0	1,185	100.0	67	100.0	2,118	100.0
Under \$5,000	14	32.6	47	4.1	21	55.3	45	3.8	12	17.9	26	1.2
\$5,000—\$25,000	15	34.8	170	14.8	12	31.6	107	9.0	36	53.7	471	22.2
\$25,000—\$100,000	12	27.9	615	53.6	1	2.6	26	2.2	11	16.4	629	29.7
\$100,000 and over	2	4.7	316	27.5	4	10.5	1,007	85.0	8	12.0	992	46.9
Commercial Service	39	100.0	557	100.0	46	100.0	2,602	100.0	35	100.0	1,064	100.0
Under \$5,000	13	33.3	43	7.7	19	41.3	55	2.1	12	34.3	30	2.8
\$5,000—\$25,000	18	46.2	177	31.8	21	45.7	238	9.1	17	48.5	153	14.4
\$25,000—\$100,000	7	17.9	231	41.5	3	6.5	136	5.2	3	8.6	141	13.3
\$100,000 and over	1	2.6	106	19.0	3	6.5	2,173	83.6	3	8.6	740	69.5
Total	586	100.0	9,819	100.0	787	100.0	17,002	100.0	771	100.0	15,552	100.0
Under \$5,000	243	41.5	625	6.4	345	43.8	897	5.3	295	38.3	765	4.9
\$5,000—\$25,000	254	43.3	2,710	27.6	359	45.6	3,773	22.2	351	45.5	3,820	24.5
\$25,000—\$100,000	71	12.1	3,272	33.3	54	6.9	2,202	12.9	86	11.1	4,000	25.7
\$100,000 and over	18	3.1	3,212	32.7	29	3.7	10,130	59.6	39	5.1	6,967	44.8

declining more rapidly than the small groups, have suddenly recorded appreciable increases. The two smaller groups, on the other hand, both declined appreciably. This development is largely the result of the character of the industrial distribution this month. The retail enterprises which go through bankruptcy are usually small and consequently the reduction in the total number of failures reported in retail trade explains in

very large measure the continued decline in smaller enterprises. On the other hand, the number of failures in the construction group recorded an increase, and this group is the one where the average liabilities is usually large. Those who are active in the construction industry are very apt to be involved in real estate development, and to find themselves at the end of a construction project with mortgage paper in their hands. The result

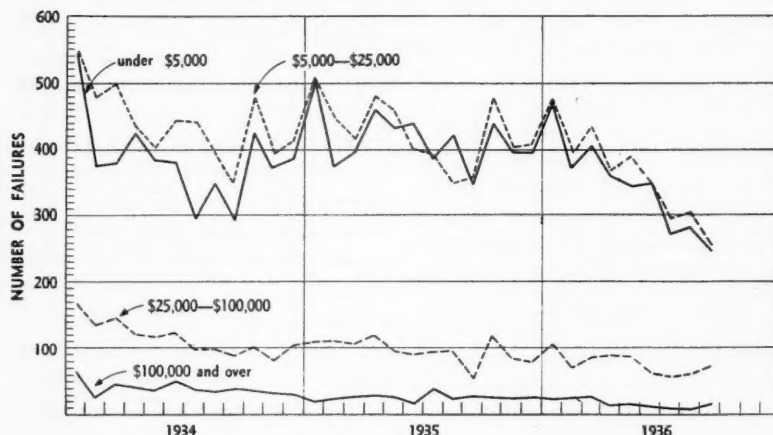
is that if and when they are forced into bankruptcy courts these real estate mortgages greatly increase the liabilities recorded in their cases. It is worthy of note that both the commercial service and the manufacturing groups also recorded increases in the number of failures with liabilities between \$25,000 and \$100,000 this September when compared with a year ago.

The Large Failures

Failures among concerns whose liabilities were reported to be in excess of \$100,000 totalled eighteen for September, the highest figure since March, 1936, when the aggregate was twenty-three. In August only eight such cases had been recorded, the lowest number so far this year.

These failures were mainly distributed among manufacturers and retailers where the number advanced eight and four, respectively, over last month's total. Construction dropped two and wholesale was higher by one as compared with the August number. The detailed classification is as follows:

MONTHLY FAILURES BY SIZE OF LIABILITIES



Failures in September in the smaller liability groups declined. In the large categories, insolvencies increased, particularly in the class over \$100,000 where the number rose from 8 in August to 18 in September.

Monthly Failures by Industrial Groups—1934-1936

		Number					Percentage				
	Total	Manu- facturing	Wholesale Trade	Retail Trade	Con- struction	Commercial Service	Manu- facturing	Wholesale Trade	Retail Trade	Con- struction	Commercial Service
1934 January ...	1,317	208	114	852	76	67	15.8	8.6	64.7	5.8	5.1
February ..	1,017	175	86	635	65	56	17.2	8.5	62.5	6.3	5.5
March	1,069	194	78	631	92	74	18.2	7.3	59.0	8.6	6.9
April	1,020	177	89	599	79	76	17.4	8.7	58.7	7.7	7.5
May	942	165	89	556	68	64	17.6	9.4	59.1	7.1	6.8
June	992	205	62	603	61	61	20.7	6.3	60.8	6.1	6.1
July	870	157	79	513	64	57	18.0	9.1	59.0	7.4	6.5
August	872	180	78	510	53	51	20.6	8.9	58.5	6.1	5.9
September ..	771	142	63	464	67	35	18.4	8.2	60.2	8.7	4.5
October	1,039	175	82	654	67	61	16.9	7.9	62.9	6.4	5.9
November ..	882	149	73	539	69	52	16.9	8.3	61.1	7.8	5.9
December ..	933	161	89	571	58	54	17.3	9.5	61.2	6.2	5.8
Total	11,724	2,088	982	7,127	819	708	17.8	8.4	60.8	7.0	6.0
1935 January ...	1,146	195	98	734	62	57	17.0	8.6	64.0	5.4	5.0
February ...	956	168	83	581	59	65	17.6	8.7	60.8	6.2	6.7
March	940	170	75	587	45	63	18.1	8.0	62.4	4.8	6.7
April	1,083	180	93	680	68	62	16.6	8.6	62.8	6.3	5.7
May	1,004	172	79	630	50	67	17.1	7.9	62.7	5.6	6.7
June	944	166	88	589	54	47	17.6	9.3	62.4	5.7	5.0
July	902	172	81	551	55	43	19.1	9.0	61.0	6.1	4.8
August	884	132	94	557	53	48	15.0	10.6	63.0	6.0	5.4
September ..	787	143	71	489	38	46	18.2	9.0	62.2	4.8	5.8
October	1,056	210	81	633	74	58	19.8	7.7	60.0	7.0	5.5
November ..	898	169	65	559	58	47	18.8	7.2	62.3	6.5	5.2
December ..	910	180	75	548	54	53	19.8	8.2	60.3	5.9	5.8
Total	11,510	2,057	983	7,138	676	656	17.9	8.5	62.0	5.9	5.7
1936 January ...	1,077	174	89	704	51	59	16.2	8.2	65.5	4.7	5.4
February ..	856	137	98	544	36	41	16.0	11.4	63.6	4.2	4.8
March	946	158	88	602	51	47	16.7	9.3	63.6	5.4	5.0
April	830	161	93	506	32	38	19.4	11.2	61.1	3.7	4.6
May	832	146	72	533	46	35	17.5	8.7	64.1	5.5	4.2
June	773	143	72	479	36	43	18.5	9.3	62.0	4.6	5.6
July	639	131	67	365	42	34	20.5	10.5	57.1	6.6	5.3
August	655	104	70	408	36	37	15.9	10.7	62.3	5.5	5.6
September ..	586	107	69	328	43	39	18.2	11.8	56.0	7.3	6.7

Manufacturing	9
Coats & Suits, Women's	1
Electrical Appliances	2
Furniture	1
Hosiery, Women's	1
Nursery	1
Paper	1
Shoes	1
Turpentine	1
Wholesale Trade	2
Fertilizer	1
Furs & Skins	1
Retail Trade	5
Bar & Grill	1
Billiards	1
Pawn Shop	1
Shoes	1
Variety	1
Construction	2
Builder	1
General Contractor	1
Commercial Service .....	..
Total	18

The following table gives the record of these failures for the past nine months of 1936:

	No. of Large Failures								
	1	2	3	4	5	6	7	8	9
Manufacturing	9	10	6	5	2	5	2	1	9
Wholesale Trade	2	3	1	1	1	2	3	1	2
Retail Trade	1	6	5	2	3	1	1	1	5
Construction	6	3	10	5	7	3	3	4	2
Commercial Service	2	..	1	..	1	1	1	1	..
Total	20	22	23	13	14	12	10	8	18

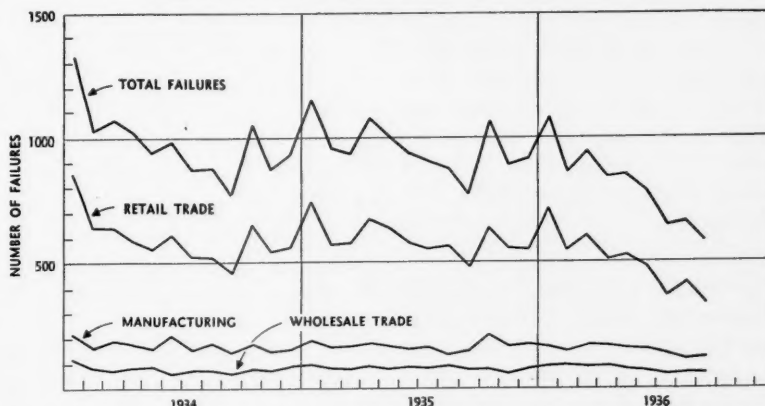
Of the fourteen concerns, eight were incorporated, two were partnerships and eight were individual proprietorships. One of the concerns, a large nursery, chartered in

1887, recently filed an application for reorganization under section 77-B, but has now found it necessary to file a voluntary petition in bankruptcy. This company, it was reported, had been losing ground since 1929. As its sales were made to florists, architects and landscape contractors, it is only natural that the decline in building operations and lessened demand for such products during a depressed period,

would have a telling effect on the business.

Another corporation, a manufacturer of special paper, was chartered in December, 1925. It succeeded a business started years before by another company. This present company defaulted in payment of bonds, interest, etc., and a receiver was appointed. Although the business transacted was satisfactory, it was not sufficient to

MONTHLY FAILURES BY INDUSTRIAL GROUPS



After showing a rise in August over July, retail insolvencies in September dropped sharply. Manufacturing, construction and commercial service lines advanced slightly while wholesale was lowered by 1.

overcome the handicap the heavy bonded indebtedness and outstanding receivables placed on the working capital.

The oldest of these large concerns was originally established in 1856, and later carried on by the owner's sons. It sold fertilizer to farmers on a credit basis. Outstanding accounts were reported as slow, with payments usually made in the Fall and Winter months, following the harvesting of crops. Apparently, the credit burden had become too heavy.

A direct case of new competition may be cited as causing the failure of the one concern, a bar and grill. While in a fair location, its trade was largely of the poorer class. Two more attractive places of the same nature recently opened nearby which caused a serious decline in the business.

The operations of one concern, a large hosiery manufacturer, were profitable until 1930, when conditions throughout the industry became disturbed. Though strong efforts were made to reduce controllable expenses, annual losses have been recorded. Added burdens had been created by purchase of plant property and machinery in 1929 and 1930. This expansion proved too much for the company to stand. Although an upswing in its volume of business was evidenced in the last two years, the margin of profit was not maintained.

Failures by Cities

The record at individual cities made a good exhibit. In comparison with last month, a lower number of failures was recorded for 21 of the 25 leading cities reporting. The exceptions were San Francisco and Indianapolis, where small advances were noted, and Milwaukee and Cincinnati, at which centers the number remained the same for August and September. Contrasted with September, 1935, lower totals were shown in 16 of the 25 cities. Seven were above the number for the year preceding, while at two,

Failures by Federal Reserve Districts and States—September, 1934-1936

Districts	Number			Liabilities		
	1936	1935	1934	1936	1935	1934
Boston .....(1).....	51	74	79	625	965	1,651
New York .....(2).....	186	235	201	3,825	9,377	4,243
Philadelphia .....(3).....	30	48	43	385	1,237	1,792
Cleveland .....(4).....	39	63	59	854	1,044	1,475
Richmond .....(5).....	28	30	26	289	284	420
Atlanta .....(6).....	30	40	35	315	1,120	420
Chicago .....(7).....	76	95	105	1,470	1,118	2,523
St. Louis .....(8).....	17	25	32	277	323	485
Minneapolis .....(9).....	14	19	19	105	161	192
Kansas City .....(10).....	25	30	36	196	198	279
Dallas .....(11).....	11	14	17	108	195	173
San Francisco .....(12).....	79	114	119	1,370	980	1,899
New England.....	53	79	81	631	1,093	1,956
Maine.....	8	15	7	115	208	110
New Hampshire.....	3	6	5	37	216	182
Vermont.....	3	1	1	35	3	12
Massachusetts.....	27	40	41	328	431	1,070
Connecticut.....	9	10	12	101	203	193
Rhode Island.....	3	7	15	15	32	89
Middle Atlantic.....	224	287	247	4,482	10,790	6,205
New York.....	133	171	165	2,234	6,732	3,603
New Jersey.....	58	61	37	1,717	2,524	1,022
Pennsylvania.....	33	55	45	531	1,534	1,580
East North Central.....	98	145	142	2,067	1,891	3,177
Ohio.....	26	47	45	567	619	977
Indiana.....	11	9	15	261	75	150
Illinois.....	31	46	53	816	643	1,279
Michigan.....	15	18	13	171	281	329
Wisconsin.....	15	25	16	252	273	442
West North Central.....	37	34	59	358	230	823
Minnesota.....	5	15	14	69	138	175
Iowa.....	7	4	10	15	29	334
Missouri.....	15	9	19	224	29	237
North Dakota.....	3	..	..	16	..	..
South Dakota.....	3	1	5	12	3	30
Nebraska.....	1	1	9	10	3	32
Kansas.....	3	4	2	12	28	15
South Atlantic.....	42	45	50	456	374	991
Maryland.....	7	12	7	29	163	217
Delaware.....	..	1	..	..	1	..
District of Columbia.....	..	3	4	..	37	22
Virginia.....	14	2	9	206	8	120
West Virginia.....	3	9	10	8	27	176
North Carolina.....	5	7	2	45	53	193
South Carolina.....	2	..	1	10	..	4
Georgia.....	5	9	11	24	70	87
Florida.....	6	2	6	134	15	172
East South Central.....	22	42	34	160	1,120	488
Kentucky.....	2	5	8	3	48	49
Tennessee.....	8	17	11	95	67	68
Alabama.....	7	8	6	44	936	68
Mississippi.....	5	12	9	18	69	303
West South Central.....	24	32	27	229	419	233
Arkansas.....	4	5	4	32	169	38
Oklahoma.....	8	13	8	81	54	47
Louisiana.....	1	..	2	8	..	11
Texas.....	11	14	13	108	196	137
Mountain.....	12	18	16	90	164	88
Montana.....	1	..	1	4	..	4
Idaho.....	2	5	2	13	28	2
Wyoming.....	1	1	2	2	2	10
Colorado.....	5	8	9	60	103	67
New Mexico.....	..	..	..	..	..	..
Arizona.....	1	..	..	3	..	..
Utah.....	2	4	2	8	31	5
Nevada.....	..	..	..	..	..	..
Pacific.....	74	105	115	1,346	921	1,891
Washington.....	8	19	18	94	125	207
Oregon.....	15	15	13	185	62	64
California.....	51	71	84	1,067	734	1,620
Total U. S.....	586	787	771	9,819	17,002	15,552

Failures by Federal Reserve Districts by Divisions of Industry—September, 1936

(Liabilities in thousands of dollars)

District		Manufacturing		Wholesale Trade		Retail Trade		Construction		Commercial Service		Total	
		No.	Liab.	No.	Liab.	No.	Liab.	No.	Liab.	No.	Liab.	No.	Liab.
Boston	(1)	9	266	5	49	28	202	5	38	4	70	51	625
New York	(2)	37	1,027	25	890	92	1,057	22	743	10	108	186	3,825
Philadelphia	(3)	6	120	3	59	18	183	1	6	2	17	30	385
Cleveland	(4)	8	401	8	116	19	291	2	29	2	17	39	854
Richmond	(5)	6	124	6	38	13	103	1	7	2	17	28	289
Atlanta	(6)	3	142	3	37	21	115	1	12	2	9	30	315
Chicago	(7)	18	669	6	52	40	360	6	210	6	179	76	1,470
St. Louis	(8)	2	154	3	10	12	113	..	..	..	..	17	277
Minneapolis	(9)	3	49	..	..	10	53	..	..	1	3	14	105
Kansas City	(10)	1	10	2	14	20	114	1	8	1	50	25	196
Dallas	(11)	..	..	4	67	7	41	..	..	..	..	11	108
San Francisco	(12)	14	250	4	179	48	759	4	95	9	87	79	1,370
Total U. S.		107	3,212	69	1,511	328	3,391	43	1,148	39	557	586	9,819

Buffalo and Cincinnati, there was no change.

Last month, the city failures increased while the balance of the country remained unchanged. In September, the decrease was almost entirely a city affair, with the balance of the country recording a slight decline.

The decreases from August and also from September of last year, were quite evenly distributed, although the heaviest decline from both periods occurred at New York City. Comparison with August showed Chicago, a city of over 3,000,000 people, to have fallen off 10. Such was not the case, however, in the comparison of September this year with a year previous. The drop at Chicago be-

tween these two periods was only 5, while at Philadelphia, where there are less than 2,000,000 people there was a decline of 14, and at Los Angeles, a city of a little over 1,200,000 population there were 15 fewer defaults in September this year than last.

The increases which occurred over last year were not confined to cities of large size, but were widely scattered. At Detroit, where the population is over 1,500,000, a gain of 1 was noted. At St. Louis, a smaller city by over 500,000, an increase of 4 appeared; New Orleans, which is still lower in population rose 1, and Kansas City and Indianapolis, further down in the population scale advanced 4 and 5, respectively.

Geographical Distribution

The general downswing of failures was further depicted in the analysis by Federal Reserve Districts. This lowered tendency, which has prevailed over the entire year, was even more marked during September. In only one district, Philadelphia, was there an increase. Minneapolis remained the same as in August. The other ten districts declined, each one falling off no more than twelve and none less than four.

The liabilities trend does not always follow the numerical course. In nine regions the amount of money involved in these insolvencies exceeded that for August. It is interesting to note that in one case, Philadelphia, where there was a gain of 1 in number the liabilities declined, and in Minneapolis where the number remained at the same level as in August, the amount of money involved also dropped. Comparisons with September of last year show declines in number for all districts. Nominal gains in indebtedness appeared at Richmond, Chicago and San Francisco.

A broader glance at the country, as divided into States, reveals an increase over a year ago in only one section, the West North Central. There were gains in four of the States included in that group, but Minnesota nearly balanced the scales by declining ten. Decreases were well distributed over all sections for September when compared with August, with the exception of the Pacific Coast States where the number stood at 74 for both months.

Failures in Specified Cities—September, 1934-1936

(Liabilities in thousands of dollars)

City	Fed. Res. Dist.	Population (1930 Census)	Number			Liabilities		
			1936	1935	1934	1936	1935	1934
New York City	2	6,930,446	101	127	105	1,881	6,280	2,614
Chicago	7	3,376,438	24	29	29	766	378	396
Philadelphia	3	1,950,961	5	19	8	150	476	19
Detroit	7	1,568,662	5	4	4	38	37	30
Los Angeles	12	1,238,048	7	22	28	504	380	814
Cleveland	4	900,429	10	13	8	74	115	145
St. Louis	8	821,960	6	2	8	173	8	51
Baltimore	5	804,874	6	9	5	23	112	63
Boston	1	781,188	5	12	10	44	201	291
Pittsburgh	4	669,817	3	2	1	127	103	9
San Francisco	12	634,394	15	11	10	217	34	79
Milwaukee	7	578,248	8	14	9	57	149	339
Buffalo	2	573,076	5	5	8	34	23	64
Washington, D. C.	5	486,869	..	3	4	..	37	22
Minneapolis	9	464,356	1	7	5	3	28	45
New Orleans	6	458,762	1	..	1	8	..	3
Cincinnati	4	451,160	2	2	8	9	10	252
Newark	2	442,337	9	17	10	75	356	110
Kansas City, Mo.	10	399,746	5	1	2	19	1	99
Seattle	12	365,583	..	7	6	..	21	112
Indianapolis	7	364,161	5	..	6	195	..	35
Rochester	2	328,132	..	3	5	..	12	100
Jersey City	2	316,716	1	4	..	20	38	..
Louisville	8	307,745	..	3	2	..	15	14
Portland, Ore.	12	301,815	5	9	5	102	30	11
Total, 25 Cities			229	325	287	4,519	8,853	5,717
Balance of Country			357	462	484	5,300	8,149	9,835
Total U. S.			586	787	771	9,819	17,002	15,552

QUARTERLY RECORD OF FAILURES BY DIVISIONS OF INDUSTRY, 1934-1936—MANUFACTURING

(Liabilities in Thousands of Dollars)

MANUFACTURING	Number												Liabilities												
	1934				1935				1936				1934				1935				1936				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
Foods	124	139	134	124	124	130	124	105	100	2,734	3,701	2,886	2,009	3,178	2,950	3,459	1,600	1,156	696	451	502	502	348	171	1,502
Baking.....	68	73	71	76	81	81	62	47	50	600	938	505	755	883	501	696	451	502	696	451	502	502	348	171	1,502
Beverages—Alcoholic.....	16	16	15	17	13	13	13	8	5	1,294	1,725	1,004	447	1,097	1,202	1,502	348	171	1,502	348	171	1,502	348	171	1,502
Beverages—Non-alcoholic.....	4	4	4	4	3	3	4	3	3	38	32	412	104	61	21	74	269	164	164	269	164	164	269	164	164
Confectionery.....	10	16	8	8	5	8	8	12	5	150	32	412	104	61	21	74	269	164	164	269	164	164	269	164	164
Dairy Products.....	9	12	9	5	8	11	9	4	10	136	170	128	74	164	170	128	74	164	170	128	74	164	170	128	74
Fruits and Vegetables.....	3	5	7	5	4	3	4	2	4	2	210	..	280	217	271	228	16	80	3	117	80	3	117	80	3
Meats and Fish.....	5	5	6	3	7	4	4	6	10	62	225	164	175	30	285	220	93	117	220	93	117	220	93	117	220
Milling.....	4	2	3	4	2	..	3	4	1	205	12	164	175	30	285	220	93	117	220	93	117	220	93	117	220
All Other.....	4	9	3	6	5	..	13	15	5	42	377	204	164	175	30	285	220	93	117	220	93	117	220	93	117
Textiles	102	99	105	117	113	134	96	101	60	3,119	1,967	2,007	2,087	2,346	2,049	3,176	1,857	1,474	696	451	502	502	348	171	1,502
Textile Mill Products.....	14	14	13	23	9	16	23	24	12	1,091	967	598	1,093	254	356	1,784	325	308	696	451	502	502	348	171	1,502
Men's and Boys' Clothing and Accessories.....	13	11	16	13	15	19	19	43	12	8	371	396	208	396	538	84	111	94	696	451	502	502	348	171	1,502
Women's and Children's Clothing and Accessories.....	60	56	49	61	69	77	7	7	46	25	892	635	697	1,101	1,023	1,166	608	518	608	518	608	518	608	518	608
Hosiery, Underwear, Knit Goods.....	7	9	6	9	7	7	8	6	3	590	270	136	110	249	232	462	174	427	462	174	427	462	174	427	462
Other Clothing.....	2	2	13	7	8	8	11	5	3	25	52	258	91	369	145	189	115	41	189	115	41	189	115	41	189
Other Textile Products.....	6	7	8	5	5	7	2	8	9	180	107	110	198	57	212	116	54	86	116	54	86	116	54	86	116
Forest Products	36	28	54	44	29	39	42	34	26	1,467	1,920	1,956	1,305	543	2,126	1,513	827	648	1,513	827	648	1,513	827	648	1,513
Lumber.....	10	15	25	15	9	15	8	9	10	399	1,326	1,121	560	316	847	128	401	344	128	401	344	128	401	344	128
Furniture.....	18	10	22	22	14	19	24	20	11	792	282	548	701	189	1,076	1,248	311	348	1,248	311	348	1,248	311	348	1,248
All Other.....	8	3	7	7	6	5	10	6	5	512	312	287	104	88	205	169	115	56	104	88	205	169	115	56	104
Paper, Printing, and Publishing	38	47	40	37	31	135	37	43	24	1,128	2,833	573	1,100	583	781	671	1,541	546	671	1,541	546	671	1,541	546	671
Paper and Paper Products.....	4	9	5	5	3	5	5	11	3	93	2,230	162	515	238	72	242	172	344	242	172	344	242	172	344	242
Printing and Engraving.....	26	25	27	24	24	18	21	24	16	973	296	307	364	257	105	317	332	146	307	332	146	307	332	146	307
Publishing.....	8	13	8	8	4	12	11	8	5	62	307	104	221	88	604	112	1,037	56	104	112	1,037	56	104	112	1,037
Chemicals and Drugs	17	13	25	23	15	24	15	21	12	854	94	360	675	356	760	217	293	424	360	675	356	760	217	293	424
Chemicals and Chemical Products.....	12	4	8	10	7	7	7	9	6	541	15	169	151	229	142	120	164	327	169	151	229	142	120	164	327
Drugs, Perfumes, Cosmetics.....	4	4	10	11	2	15	6	8	4	98	26	111	471	24	544	57	83	74	111	471	24	544	57	83	74
Paints, etc.....	1	5	7	2	6	2	2	4	2	215	53	80	53	103	74	46	23	45	215	53	103	74	46	23	45
Fuels	5	12	..	9	10	14	6	9	8	713	1,298	..	293	1,170	912	1,645	294	164	..	293	1,170	912	1,645	294	164
Coal.....	2	9	..	3	5	3	3	8	8	580	1,141	..	94	544	23	85	261	164	..	94	544	23	85	261	164
Petroleum.....	3	3	..	6	5	11	3	1	..	133	1,157	..	199	626	889	1,060	492	369	1,060	492	369	1,060	492	369	1,060
Leather and Leather Products	24	17	18	23	16	27	16	24	13	711	221	610	515	602	389	503	432	369	610	515	602	389	503	432	369
Leather.....	1	1	1	4	1	8	1	2	3	1	4	157	119	1	50	61	131	51	157	119	1	50	61	131	51
Shoes.....	15	9	13	11	10	8	8	9	4	564	141	405	293	324	131	277	180	228	405	293	324	131	277	180	228
Other Leather Products.....	8	7	4	8	5	16	7	13	6	146	76	48	103	277	208	165	181	90	48	103	277	208	165	181	90
Stone, Clay and Glass Products	9	15	11	16	17	16	13	7	9	375	300	304	933	889	440	415	819	111	304	933	889	440	415	819	111
Stone and Stone Products.....	6	11	7	8	10	8	5	3	3	345	323	230	153	494	332	64	10	50	230	153	494	332	64	10	50
Clay and Clay Products.....	1	2	1	6	4	1	4	2	1	7	7	22	50	699	342	60	236	7	22	50	699	342	60	236	7
Glass and Glass Products.....	1	2	3	..	1	6	4	1	2	15	15	24	..	8	43	115	2	16	24	..	8	43	115	2	16
All Other.....	1	..	..	2	2	1	..	1	..	8	..	..	81	45	5	..	800	..	..	81	45	5	..	800	..
Iron, Steel and Products	28	19	29	21	22	30	10	21	20	1,817	425	2,318	370	1,497	460	412	440	888	2,318	370	1,497	460	412	440	888
Iron and Steel.....	5	4	6	2	3	3	3	5	8	345	97	1,434	38	399	43	56	278	621	1,434	38	399	43	56	278	621
Iron and Steel Products.....	23	15	23	19	19	27	15	16	12	1,472	328	884	532	1,098	417	356	162	267	884	532	1,098	417	356	162	267
Machine	23	18	25	28	17	31	23	15	18	1,168	643	679	752	384	700	404	449	737	679	752	384	700	404	449	737
Electrical Apparatus.....	8	10	9	9	7	14	5	5	6	650	497	114	292	93	238	203	177	311	114	292	93	238	203	177	311
Machine Shops.....	3	1	5	5	2	1	5	2	..	18	6	161	33	8	22	10	13	..	161	33	8	22	10	13	..
All Other.....	12	7	11	14	8	12	13	8	12	500	140	404	427	283	440	182	259	426	404	427	283	440	182	259	426
Transportation Equipment	8	15	14	11	5	10	9	11	7	908	366	385	408	168	431	131	635	211	385	408	168	431	131	635	211
Automobiles and Parts.....	4	7	8	6	3	5	8	6	1	489	277	274	375	34	381	117	147	25	274	375	34	381	117	147	25
Automobile Accessories.....	2	4	5	4	1	1	4	..	..	109	59	33	30	4	41	..	338	..	33	30	4	41	..	338	..
All Other.....	2	4	1	1	1	4	1	1	6	310	30	78	3	130	9	14	150	..	78	3	130	9	14	150	..
Miscellaneous	65	63	78	65	44	69	69	59	45	1,558	1,074	1,958	922	656											

QUARTERLY RECORD OF FAILURES BY DIVISIONS OF INDUSTRY, 1934-1936--RETAIL TRADE

(Liabilities in Thousands of Dollars)

	1934				1935				1936				1937			
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II
RETAIL TRADE																
Foods	436	560	606	651	535	603	517	497	377	3,142	3,552	4,191	5,223	4,350	4,103	2,945
Confectionery	33	42	37	36	28	31	24	19	17	307	206	271	488	207	207	138
Dairy Products	21	18	16	16	13	14	16	21	15	258	141	175	204	114	287	253
Delicatessens	7	12	8	10	11	13	14	10	11	20	65	70	46	54	38	131
Groceries	134	200	221	223	173	212	149	168	119	739	990	1,300	1,924	1,201	1,094	81
Groceries and Meats	130	151	143	188	165	164	167	152	129	1,017	952	900	1,147	1,206	1,146	126
Meats and Fish	65	70	105	106	76	103	72	67	40	373	637	879	858	963	773	635
Produce and Fruits	26	31	31	25	25	16	21	11	12	199	235	182	189	202	324	824
Beverages--Alcoholic	6	11	27	27	27	23	43	2	28	149	128	118	185	34	56	470
Beverages--Non-alcoholic	5	9	9	8	6	7	4	43	2	26	141	330	173	185	130	230
All Other	9	6	9	5	6	10	7	4	4	54	57	157	39	34	48	60
Farm Supplies, General Stores	84	74	77	85	91	79	100	62	48	885	1,250	1,161	1,215	988	919	699
Farm Supplies	16	14	9	9	18	11	15	5	6	323	253	124	486	353	144	453
General Stores	68	60	68	76	73	68	85	57	42	562	997	1,037	729	635	775	166
General Merchandises	69	6	119	101	67	62	108	65	40	821	1,320	1,340	1,000	714	629	533
Department Stores	11	5	14	13	10	7	19	5	7	356	557	438	403	166	281	2,218
Variety Stores	10	9	17	15	9	2	9	3	6	68	278	68	42	52	10	1,658
Dry Goods	48	46	88	73	48	53	81	57	27	397	485	834	555	496	338	215
Apparel	191	323	307	283	250	321	411	269	175	1,713	3,331	2,725	1,880	2,065	2,359	539
Clothing--Men's, Women's and Children's	14	21	25	23	25	25	55	36	21	160	222	181	245	118	272	3,182
Clothing--Men's	35	48	55	24	35	32	48	37	31	424	617	552	100	547	316	421
Accessories--Men's	36	49	59	56	43	64	56	42	21	295	425	513	392	281	459	308
Clothing--Women's	63	116	124	92	85	102	157	94	59	502	1,445	799	545	736	661	326
Accessories--Women's	12	16	12	15	22	17	17	16	13	129	75	105	81	75	94	552
Shoes	33	73	89	66	45	76	78	44	30	203	547	576	407	309	557	47
Furniture and House Furnishings	52	64	79	74	59	63	65	78	40	1,128	1,154	1,124	1,180	899	802	512
Furniture	28	41	46	48	32	40	41	46	22	867	506	810	873	493	601	227
House Furnishings and Appliances	14	8	17	15	21	18	16	17	13	180	53	170	175	366	183	298
Radios	10	15	16	11	6	5	8	15	5	81	595	144	132	40	18	352
Lumber, Building Materials, Hardware	111	104	108	128	105	100	112	101	56	1,331	1,250	1,406	1,710	1,253	1,217	1,047
Lumber, Building Materials	14	21	17	28	16	16	13	14	7	553	358	583	674	198	529	59
Paint, Wallpaper, Glass	28	28	16	19	26	26	26	23	9	231	297	100	131	204	101	227
Hardware, Implements, Machinery	69	55	70	81	63	58	73	64	40	547	575	723	905	851	527	139
Automotive Products	119	159	118	131	119	123	129	103	91	2,078	2,084	1,467	1,390	2,582	1,635	610
Automobiles	29	35	32	25	30	49	46	29	24	1,333	1,086	441	620	716	1,105	2,979
Automobile Accessories	18	29	16	28	22	24	20	16	8	141	289	96	186	273	147	761
Garages and Repair Shops	45	67	47	40	40	25	38	33	36	443	1,040	658	406	639	158	457
Filling Stations	26	24	23	32	25	24	15	25	23	158	229	272	178	909	158	128
All Other	1	4	..	..	2	1	1	..	..	3	40	..	..	15	17	319
Restaurants	153	164	146	136	151	159	140	117	101	1,811	2,450	1,427	1,585	4,231	2,409	1,006
Drugs and Cosmetics	144	152	164	170	118	129	127	128	92	1,684	1,452	1,364	1,638	933	856	2,381
All Other	128	114	128	140	102	103	150	98	81	2,135	1,271	1,231	2,250	2,070	1,063	1,095
Tobacco Products	11	11	8	10	8	13	17	5	6	73	151	82	63	229	116	2,490
Fuels	12	16	15	27	16	20	23	23	11	298	197	108	484	350	390	1,418
Florist Shops	18	16	19	15	13	10	17	9	11	158	139	250	433	282	142	467
Jewelry	26	14	23	24	20	8	35	19	15	401	210	201	535	962	51	221
Stationery, Books, Newsdealers	17	14	20	19	17	13	15	16	10	298	109	112	271	87	92	54
Toys	..	1	1	1	2	1	3	1	1	..	8	9	18	7	7	228
Miscellaneous	44	42	37	44	26	38	40	25	27	877	457	409	446	203	325	115
Total Retail Trade	1,487	1,764	1,902	1,869	1,597	1,740	1,850	1,518	1,101	16,728	19,694	17,437	19,021	20,086	16,052	15,049
																9,843

QUARTERLY RECORD OF FAILURES BY DIVISIONS OF INDUSTRY, 1934-1936—WHOLESALE TRADE—CONSTRUCTION—COMMERCIAL SERVICE
(Liabilities in Thousands of Dollars)

Wholesale Trade	Number												Liabilities							
	1934				1935				1936				1937				1938			
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV		
Farm Products and Foods.....	107	112	110	129	98	95	119	107	90	2,951	2,333	2,098	2,131	2,197	2,679	1,500	1,299	1,496		
Confectionery	10	15	15	18	12	15	26	17	10	78	102	212	202	73	246	299	91	31		
Dairy Products	9	10	13	11	10	15	12	9	11	206	236	173	324	204	486	373	77	236		
Groceries and Meats.....	10	16	17	13	13	6	18	16	10	166	722	494	359	292	388	187	375	138		
Meats and Fish.....	27	22	18	34	21	18	16	20	18	461	413	391	391	390	376	119	244	353		
Produce and Fruits.....	25	21	14	24	17	14	25	21	13	1,146	466	262	264	455	419	396	225	183		
Beverages—Alcoholic	12	11	13	9	12	9	12	12	20	635	177	226	135	328	336	157	117	283		
All Other.....	14	17	20	20	13	18	15	12	8	259	217	174	466	455	430	169	170	272		
Clothing and Furnishings.....	5	13	18	18	19	15	21	11	13	80	280	281	197	950	174	257	113	154		
Dry Goods and Textile Products.....	7	11	10	11	11	10	2	6	2	94	390	253	186	415	136	18	139	45		
Lumber, Building Materials, Hardware.....	14	12	14	17	15	10	20	25	22	349	289	390	237	798	812	576	890	611		
Chemicals and Drugs.....	10	15	7	8	13	7	9	10	9	252	144	80	167	123	85	65	173	14		
Fuels.....	6	12	7	6	9	9	15	7	4	192	225	169	181	173	683	570	194	227		
Automotive Products.....	3	17	10	16	15	11	18	12	12	38	425	182	145	182	129	327	185	150		
Supply Houses.....	8	4	23	12	17	17	15	12	8	142	82	513	118	163	248	129	366	39		
All Others.....	58	44	57	43	49	38	56	47	46	1,351	1,268	998	1,244	784	363	1,408	937	973		
Electrical Goods	6	2	6	7	6	3	5	7	6	86	161	69	47	89	31	44	147	59		
Furniture and House Furnishings.....	6	4	8	4	6	5	6	1	5	89	166	126	95	154	105	321	11	61		
Machinery and Equipment.....	5	6	6	3	2	3	5	..	3	211	136	216	361	10	16	87	.....	63	
Paper and Paper Products.....	6	3	11	9	4	6	8	9	9	181	60	135	173	35	39	208	173	115		
Tobacco Products	6	3	2	4	7	1	4	4	3	53	38	8	287	104	6	43	85	12		
All Other.....	29	28	24	16	24	20	28	26	20	731	707	434	281	392	166	708	537	663		
Total Wholesale Trade.....	220	244	256	260	246	221	275	237	206	5,449	5,446	4,964	4,606	5,785	5,309	4,841	4,316	3,848		
CONSTRUCTION																				
General Contractors.....	33	35	38	28	26	36	24	17	24	1,311	1,505	1,415	1,153	1,796	3,575	1,580	904	606		
Carpenters and Builders.....	69	59	41	44	40	53	43	36	30	2,690	2,423	1,880	1,734	1,235	2,932	4,172	5,518	2,607		
Building Sub-Contractors.....	75	93	79	102	74	93	70	51	65	974	1,523	1,705	1,461	662	2,097	2,961	643	1,139		
Painting and Decorating.....	19	32	12	25	16	23	16	10	14	151	576	131	398	96	718	175	180	197		
Heating and Plumbing	21	32	28	31	30	30	34	17	22	303	415	444	345	249	642	1,675	146	422		
Electrical	11	11	11	14	12	9	8	8	10	74	158	182	82	50	216	59	56	304		
Other	24	18	28	32	16	31	12	16	19	446	374	1,008	336	267	521	1,052	261	216		
Other Contractors.....	7	7	8	4	6	4	1	10	2	250	129	238	120	257	107	25	371	167		
Total Construction	184	194	66	178	146	186	138	114	121	5,294	5,580	5,298	4,168	3,950	7,711	8,738	7,436	4,519		
COMMERCIAL SERVICE																				
Cleaners and Dyers, Tailors.....	29	33	53	41	40	40	36	24	27	410	376	425	453	602	559	368	236	222		
Cleaners and Dyers.....	10	15	28	19	19	21	17	7	26	247	147	280	202	178	418	185	108	149		
Tailors	19	18	25	22	21	19	19	17	7	163	129	145	251	424	141	183	128	73		
Hatmakers, Hatters, Trainers, etc.....	33	42	33	41	26	37	31	27	31	583	667	975	543	1,326	355	369	297	1,338		
Hotels	27	17	25	21	22	15	15	15	10	2,158	786	699	1,193	1,174	2,363	1,062	770	312		
Laundries	5	20	18	16	10	17	11	8	6	38	249	387	280	184	293	69	124	67		
Undertakers	12	10	13	17	9	21	18	9	11	108	90	200	251	253	203	56	82	16		
All Other.....	37	45	43	40	30	28	36	32	25	550	640	820	1,032	1,219	1,062	849	216	352		
Advertising	13	12	12	8	3	9	8	4	6	183	383	247	177	75	720	164	29	67		
Barber Shops and Beauty Parlors.....	5	6	9	4	7	4	7	3	1	20	43	93	47	112	34	52	66	11		
Shoe Repairing	7	7	3	11	3	..	2	10	5	10	19	13	47	15	....	11	26	51	
Photographers	8	5	9	3	8	3	2	2	4	100	26	66	183	59	74	3	38	38		
Others	4	15	10	14	9	12	17	13	9	237	169	401	618	958	234	619	92	190		
Total Commercial Service.....	143	167	185	176	137	158	147	116	110	3,847	2,808	3,406	3,762	4,596	4,887	2,921	1,699	2,373		
Total United States.....	2,513	2,854	3,042	3,031	2,573	2,864	2,879	2,435	1,880	47,810	48,330	45,181	43,786	46,791	47,555	48,464	38,709	27,094		

CANADIAN BUSINESS FAILURES HIGHER DURING SEPTEMBER

IN reversal of the trend in the United States, business failures in the Dominion of Canada turned upward in September. The total reported for that month was 96, against 78 in August and 94 in the similar period of 1935. Although the current figure was higher than the totals of June, July or August, few months in the past sixteen years have reached such a low point.

The liabilities showed a substantial decline from the August amount. The aggregate for the month of \$535,000 was the lowest for the year to date. In fact, it is necessary to go back many years to find a figure so low. The liability total in August was \$1,030,000, while in September of 1935 the indebtedness amounted to \$884,000. No large failures occurred during September, that is, any with liabilities of \$100,000 or more.

Nearly 50 per cent of the August total was made up of one large insolvency. This concern, reported as wholesale lumber, owned a large sawmill adjacent to extensive timber-lands. It was originally established in 1926 by a group of wealthy lumbermen. The organi-

zation was not very active for a few years and finally closed down in 1932, owing to trade conditions. The present company was promoted by a large lumber operator who apparently was unable to raise sufficient capital to conduct operations successfully. The board took over his stock in the company under agreement to purchase same in 1936. Following this acquisition it was stated that an amount of \$23,000 had been put into the organization to take care of outstanding liabilities. As capital invested was not adequate and credit standing was to be established, negotiations were made to float a bond issue of \$1,250,000. Whether this was finally agreed upon is not known up to the present time.

By Trade Divisions

An analysis of the month's failures by trade divisions revealed an upturn among retailers when compared with the aggregate in the month preceding, and those of September, 1935. These totalled 64, or about 67 per cent, of all failures for the month, whereas in August 65 per cent were retailers, and in

Canadian Failures by Months

	1936	1935	1934
January	120	149	176
February	138	135	137
March	118	112	141
April	134	111	164
May	101	121	139
June	94	108	99
July	79	124	112
August	78	93	109
September	96	94	89
October	106	151	151
November	105	143	143
December	109	140	140
Total Canada.....	1,367	1,600	

Liabilities

(Thousands of dollars)

	1936	1935	1934
January	1,245	1,094	1,835
February	2,307	982	1,286
March	936	981	1,388
April	893	1,069	2,249
May	753	1,439	2,488
June	557	1,419	1,051
July	707	1,602	1,734
August	1,030	751	931
September	535	884	976
October	927	2,006	
November	1,074	1,349	
December	872	1,749	
Total Canada.....	13,094	19,042	

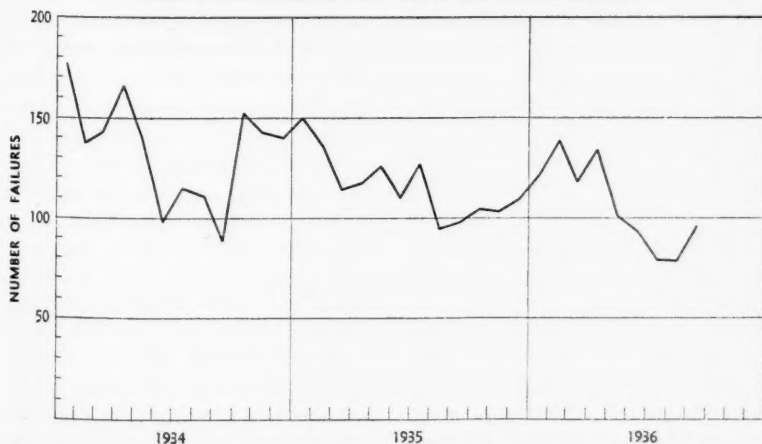
September a year ago 60 per cent.

Insolvencies among manufacturing and wholesale concerns showed a falling-off from the totals of the month preceding and September of last year. On the other hand, construction and commercial service failures were higher. Fully 86 per cent of the monetary loss for September was concentrated in the manufacturing and retail groups. Last month the indebtedness in the wholesale group was in excess of either of these two, due to the default of a large lumber company.

This table shows the number and liabilities of September failures by trade divisions, compared with those of September, 1935, together with the percentage each bears to the total.

	Sept., 1936		Sept., 1935	
	No.	Per Cent	No.	Per Cent
Manufacturing ...	17	17.7	26	27.7
Wholesale	2	2.1	5	5.3
Retail	64	66.6	56	59.6
Construction	4	4.2	2	2.1
Com'l Service.....	9	9.4	5	5.3
Total	96	100.0	94	100.0
(Liabilities in thousands of dollars)				
	Liab.		Liab.	
	Per Cent		Per Cent	
Manufacturing ...	191	35.7	379	42.9
Wholesale	11	2.1	33	3.7
Retail	268	50.1	409	46.3
Construction	39	5.6	44	5.0
Com'l Service.....	35	6.5	19	2.1
Total	535	100.0	884	100.0

MONTHLY TREND OF CANADIAN FAILURES



After showing a downtrend for four months, Canadian failures in September moved to the highest level since last May. The current figure at 96, compares with 78 in August, and 94 recorded for September, 1935.

THIRD QUARTER ESTABLISHES LOW RECORD FOR 77-B CASES

WITH September reporting only 28 cases of applications for reorganization under 77-B, the quarter's total is brought to 102 cases, substantially below the low record of 155 reported in the second quarter of this year.

The monthly figures covering the entire period since the amendment authorizing the new procedure went into effect, are as follows:

Comparison of 77-B Applications and Commercial Failures

	77-B Applications	Commercial Failures
1934		
June	103	992
July	93	870
August	102*	872
September	61	771
October	72	1,039
November	100*	882
December	93	933
Total 7 Months, 1934.	624	6,359
1935		
January	104*	1,146
February	74	956
March	84	940
April	112	1,083
May	133*	1,004
June	65	944
July	79	902
August	94*	884
September	51	787
October	94*	1,056
November	44	898
December	77	910
Total, 1935.....	1,011	11,510
1936		
January	84*	1,077
February	70	856
March	50	946
April	50*	830
May	46	832
June	59	773
July	41*	639
August	33	655
September	28	586
Total 9 Months, 1936.	461	7,194
Total U. S.	2,096	25,057

(*) A five-week month.

Any analysis of the 77-B record must take into account the fact that some months cover four weeks and others five. The peak was reached in April, 1935, with a weekly average of 28 cases. The September figure, with its weekly average of 7.2 cases, establishes a new low. This continues the decline which has been so marked since the beginning of the year.

Among commercial failures, September is usually the low point

of the year, followed by an upturn in the remaining months. In 1934, 77-B cases moved in the same way; in 1935, the upturn was less clear. It remains to be seen whether the last four months of this year will follow the usual pattern, or whether the larger companies which are the most frequent users of this form of reorganization, are now so confident of escaping from their troubles, if any, that the number of cases will continue its present downward trend, or at least maintain present low levels.

The decline in 77-B cases since the beginning of the year has been noticeably more rapid than the decline which has also taken place in commercial failures. In 1935, there was one 77-B case for every 11.5 commercial failures. For the first quarter of 1936, the ratio was one 77-B case for every 14.1 failures. And now for the third quarter, the ratio has declined to one 77-B case for every 18.4 failures. The 77-B cases tend to be larger than the average for commercial failures, which is so heavily weighted with small individual retail proprietors. Among commercial failures, the decline has been greatest in the group of largest enterprises. It is therefore clear that the general improvement, at least as measured in terms of ability to keep away from the legal processes of bankruptcy and receivership, is greatest for larger enterprises.

There is no marked change in the industrial character of the cases this month. Petitions for reorganization among the wholesale and retail trades and the commercial services are very few and about one-half of all cases are among manufacturers and one-third among real estate and financial companies. This not unexpected, since the larger incorporated enterprises are more common

in these two groups. The manufacturing cases were well scattered through the field, with breweries, bakeries, publishers, mines, machinery, and household goods represented.

77-B Applications by Main Divisions of Industry, September, 1935 and 1936

	Sept., 1936	Aug., 1936	Sept., 1935
Manufacturing	13	12	24
Wholesale Trade.....	2	3	7
Retail Trade.....	2	2	7
Construction .....	..	..	..
Commercial Service..	3	4	2
Others *.....	8	12	11
Total U. S.	28	33	51

(*) Not included in tabulation of commercial failures, such as real estate and investment companies.

The following tabulation gives the ages of the September cases both in length of time under the present corporate form and as to dates when the enterprises were first established.

	Incorporated in Present Form	Business Established
1936	1	1
1930-1935	10	4
1925-1929	8	7
1920-1924	3	2
1900-1919	1	2
Before 1900.....	3	5
Unknown	2	7

One-third are definitely in the youthful category, as far as their present form is involved.

In a majority of cases it is possible to determine in a general way the type of indebtedness which has forced the various companies to seek reorganization. Among the September cases nine were in default on bond and interest payments; nine carried on their books indebtedness only to unsecured creditors in the form of accounts and notes payable; two were unable to make large monthly payments on new machinery and equipment; three carried large trade accounts and were also heavily burdened with mortgages; and one was seeking readjustment with its parent organization which had made large advances.

Several of the companies had previously given evidence of an unbalanced condition and inability to meet their debts. Three had applied for loans from the Reconstruction Finance Corporation; three were operating under creditors' committees, two of them with definite extension agreements with their respective creditors. Two of the real estate companies had been operating under receiverships during the last few years.

The quarterly record of 77-B applications since June, 1934, when the amendment became effective, is presented again this month with the addition of the third quarter of 1936. It includes the different lines of activity within the major industrial groups and permits comparisons of those groups which from month to month are made up of too small a number of cases to be of significance.

In this third quarter of 1936 there were a little less than one-half of the total number of cases which were reported in the corresponding quarter of 1935, and it is interesting to compare the relative importance of the groups in the two periods. Manufacturing cases constitute the same proportion now as last year, namely 40 per cent. Wholesale trade, in spite of the fewness of cases now, still bears nearly the same proportion to the total—10 per cent, against 11 per cent last year. Retail trade is now decidedly less important. Commercial service, real estate and financial companies and others not considered strictly commercial cases have increased their proportion until they now make up nearly one-quarter of all 77-B cases. These proportions for the quarter differ slightly from those prevailing for the last two months, mentioned earlier in the article, for the reason that the quarterly figures were held up slightly by July figures in some of the groups.

In considering the declines in the sub-divisions it is apparent

that some have fallen since the corresponding quarter of last year at a rate faster than that of all cases. Such lines among manufacturing are textiles, fuels, and stone, clay and glass products. On the other hand, moving in an opposite direction, petitions among machinery concerns have increased. Only the usual declines

have taken place in all the wholesale lines. In retail trade it is especially worthy of note that only the normal decreases have taken place in the various lines of supply, and that it is entirely in the one category of restaurants that the big decline has taken place, which has caused the decrease in the group as a whole.

Quarterly Record of 77-B Applications by Divisions of Industry—1934-1936

MANUFACTURING	1934			1935				1936			Total
	June	III	IV	I	II	III	IV	I	II	III	
Foods	4	27	31	32	24	14	13	15	10	9	179
Textiles	4	18	11	10	17	18	7	18	10	5	118
Forest Products	3	8	5	9	13	6	7	6	8	2	67
Paper, Printing and Publishing	6	12	2	6	11	8	5	5	4	5	64
Chemicals and Drugs	1	2	5	5	4	4	3	4	2	1	31
Fuels	2	8	7	7	2	9	8	4	3	1	51
Leather and Leather Products	1	2	5	8	5	3	2	5	4	1	36
Stone, Clay, Glass and Products	1	9	6	8	5	5	5	4	3	..	46
Iron and Steel	4	10	10	6	8	6	4	6	2	3	59
Machinery	3	9	5	13	10	4	8	5	3	7	66
Transportation Equipment	2	2	2	3	2	4	1	1	1	1	19
All Other	1	4	10	10	15	9	9	7	11	6	82
Total Manufacturing	32	111	99	117	116	90	72	80	61	41	818
WHOLESALE TRADE											
Farm Products, Foods, Groceries	3	2	7	7	17	7	8	4	10	2	67
Clothing and Furnishings	..	1	..	1	..	..	2	1	..	..	5
Dry Goods and Textiles	..	..	..	..	1	2	2	..	..	..	5
Lumber, Bldg. Materials, Hardware	1	6	2	6	9	9	4	9	4	5	55
Chemicals and Drugs	1	1	1	1	1	..	4	1	..	..	10
Fuels	..	2	4	1	2	2	..	1	..	..	12
Automotive Products	..	2	3	2	3	..	4	..	2	..	16
Supply Houses	2	..	1	2	3	3	..	1	2	1	15
All Other	1	4	3	4	5	2	3	3	3	2	30
Total Wholesale Trade	8	18	21	24	41	25	27	20	21	10	215
RETAIL TRADE											
Foods	..	3	2	7	4	2	7	4	2	..	31
Farm Supplies, General Stores	..	..	..	..	2	..	..	..	..	..	2
General Merchandise	3	18	8	4	5	4	4	2	3	1	52
Apparel	2	6	11	8	16	5	6	12	1	3	70
Furniture, Household Furnishings	..	4	4	2	8	6	2	3	3	2	34
Lumber, Bldg. Materials, Hardware	..	4	3	3	9	4	2	1	..	1	27
Automotive Products	1	4	5	4	2	4	4	4	3	3	34
Restaurants	..	7	13	17	9	10	15	8	4	1	84
Drugs	..	..	..	1	3	3	3	2	..	..	12
All Other	2	4	5	1	5	3	4	2	5	1	32
Total Retail Trade	8	50	51	47	63	41	47	38	21	12	378
CONSTRUCTION											
General Contractors	..	..	2	..	3	1	1	1	..	..	8
Carpenters and Builders	..	..	..	..	..	..	..	..	2	..	2
Building Sub-Contractors	..	1	2	1	1	..	..	1	..	..	6
Other Contractors	1	..	1	2	..	1	1	2	2	..	10
Total Construction	1	1	5	3	4	2	2	4	4	..	26
COMMERCIAL SERVICE											
Cleaners and Dyers, Tailors	..	2	3	..	2	1	..	2	1	..	11
Haulage, Busses, Taxis, etc.	..	4	4	2	5	3	4	9	6	6	43
Hotels	5	10	10	8	17	13	6	9	5	5	88
Laundries	1	1	5	5	2	4	2	6	2	1	29
Undertakers	..	..	..	1	..	..	..	..	..	..	1
All Other	6	2	4	1	3	3	3	2	1	3	29
Total Commercial Service	12	19	26	17	29	24	15	28	15	15	201
OTHERS *											
Real Estate, etc.	36	48	48	43	46	28	41	29	27	22	368
Clubs, etc.	..	2	2	7	6	5	4	1	4	2	33
Railroads (Intrastate), Terminals	2	1	9	3	3	5	4	..	1	..	28
Theatres	3	2	1	..	..	2	..	1	..	..	9
Miscellaneous	1	4	3	1	2	2	3	3	1	..	20
Total Others	42	57	63	54	57	42	52	34	33	24	458
Total U. S.	193	256	265	262	310	224	215	204	155	102	2,086

* Not included in classification of commercial failures.

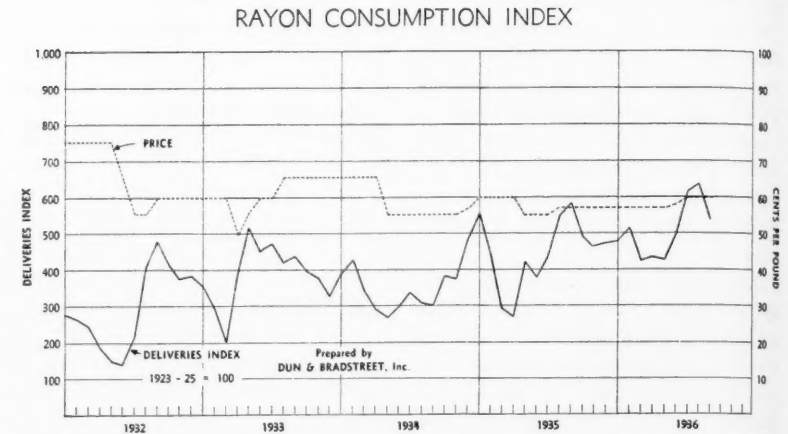
GRAPHIC REVIEWS

THE RAYON INDUSTRY

THE average daily rate of non-acetate rayon yarn deliveries to American mills during September, measured by the *Textile Organon's* unadjusted index of 537, represents a decline from the all-time high August level of 633. It is pointed out by the *Organon*, however, that the high August figure was realized by the rayon producers only because the industry drew heavily on its available yarn stocks. The September deliveries figure continues to represent a capacity consumption of rayon yarns with only a very small amount coming from producers' stocks.

The *Organon* further states that stocks of non-acetate yarn held by producers at the end of September amounted to only three-tenths of a month's supply, based on average monthly shipments over the previous twelve months. The September figure, both in actual pounds and relative to shipments, represents a decline from the end-of-August figure, which amounted to four-tenths of a month's supply.

As the record August deliveries index was realized because the industry drew heavily on yarn stocks, it is difficult to see how shipments in the Fall months



The September deliveries index shows considerable decline from the preceding month. August deliveries reached an all-time high peak, due mainly to heavy withdrawals by the industry from a sizable yarn stocks.

could possibly equal that figure. If the industry averages around 500 for the balance of the year, it will mean that the industry is shipping yarn at approximately the same rate as produced.

The following table presents the unadjusted indices of producers' rayon deliveries, as compiled by the *Rayon Organon*:

	(1923-1925 = 100)					
	1936	1935	1934	1933	1932	
Jan.	477	553	383	353	273	
Feb.	517	441	422	293	265	
Mar.	422	295	340	201	246	
Apr.	433	274	290	392	186	
May	428	417	286	517	148	
June	498	381	305	450	137	
July	614	433	334	470	213	
Aug.	633	550	307	420	406	
Sept.	537	583	308	433	478	
Oct. ....	...	494	382	399	413	
Nov. ....	...	464	386	371	371	
Dec. ....	...	473	488	324	382	
Average..	...	446	353	385	293	

BITUMINOUS COAL OUTPUT

BITUMINOUS coal production increased rather sharply during September. The total output of 36,772,000 tons was the largest since last February, while the daily average output for the month was 1,471,000 tons, or the greatest since March, 1935. Last month's production compared with 33,240,000 in August, and 24,944,000 in September, 1935, when mining operations were restricted by the short-lived coal strike.

For the first nine months of 1936 production totalled 302,163,000 tons, an increase of 15 per cent over last year.

Monthly Bituminous Production*

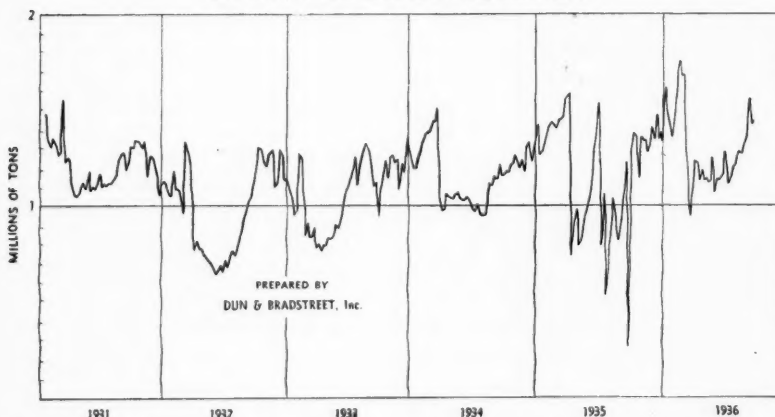
	(Tons)		
	1936	1935	1934
Jan. ...	39,330,000	36,681,000	33,459,000
Feb. ...	41,375,000	34,834,000	32,660,000
Mar. ...	31,233,000	38,701,000	38,475,000
Apr. ...	30,318,000	21,970,000	24,661,000
May ...	28,541,000	26,849,000	27,445,000
June ...	29,300,000	30,117,000	25,898,000
July ...	32,054,000	22,339,000	24,851,000
Aug. ...	33,240,000	26,112,000	27,500,000
Sept. ...	36,772,000	24,944,000	27,908,000
Oct. ...	...	37,664,000	33,008,000
Nov. ...	...	33,285,000	30,977,000
Dec. ...	...	34,829,000	32,526,000
Total.	368,193,000	359,368,000	

Weekly Bituminous Production*

	(Daily Average Output, Tons)		
	1936	1935	1934
Sept. 26 ...	1,447,000	279,000	1,217,000
Sept. 19 ...	1,419,000	1,282,000	1,158,000
Sept. 12 ...	1,563,000	1,393,000	1,160,000
Sept. 5 ...	1,369,000	1,378,000	1,191,000
Aug. 29 ...	1,333,000	1,238,000	1,126,000
Aug. 22 ...	1,272,000	1,047,000	1,035,000
Aug. 15 ...	1,290,000	927,000	962,000
Aug. 8 ...	1,265,000	820,000	963,000
Aug. 1 ...	1,228,000	889,000	969,000
July 25 ...	1,219,000	1,047,000	1,003,000

* Source: U. S. Bureau of Mines.

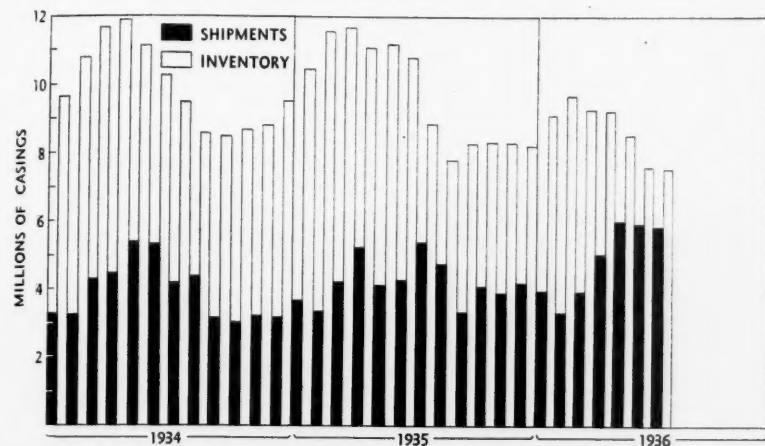
BITUMINOUS COAL PRODUCTION



Bituminous coal production increased sharply during September, the total output for the month being the largest since last February, while the daily average output was the greatest recorded since March, 1935.

OF MAJOR TRENDS

PNEUMATIC CASINGS—SHIPMENTS AND INVENTORIES



Output and shipments of pneumatic casings declined slightly during July, resulting in a further small loss in inventories. Stocks at the end of the month represented the lowest total in almost three years.

PNEUMATIC CASINGS

TIRE shipments in July were only slightly below the high level of the two preceding months. At 5,744,000 units, they were the highest for that month since 1930, and with the exception of May and June, were the largest for any month since June, 1933. Compared with the July, 1935, total of 5,447,000, the latest month showed a gain of 5.5 per cent.

For the seven months ending with July, shipments of pneumatic casings totalled 33,312,641 units, the largest for any similar period since 1930, and an increase of 10.4 per cent, as compared with the first seven months of 1935.

000, but a rise of 54.6 per cent above the July, 1935, output of 3,532,000.

The inventory figure at the end of July stood at 7,746,000 units, representing the fifth successive monthly decline, and the lowest total in almost three years.

Stocks of Pneumatic Casings *

	1936	1935	1934	1933	1932
Jan.	8,918	10,398	9,684	7,237	7,912
Feb.	9,265	11,530	10,725	7,877	9,172
Mar.	9,087	11,075	11,651	7,290	9,878
Apr.	9,034	11,003	11,981	6,778	9,846
May	8,176	11,131	11,127	6,760	9,379
June	7,833	10,755	10,219	6,615	4,990
July	7,746	8,850	9,437	6,844	6,203
Aug.	7,805	8,697	7,070	6,653	6,096
Sept.	8,288	8,419	7,595	6,096	6,096
Oct.	8,291	8,657	8,462	6,876	6,876
Nov.	8,240	8,779	9,247	7,454	7,454
Dec.	8,196	9,455	8,888	7,644	7,644

* Source: Rubber Manufacturers' Association, Inc.

FREIGHT CARLOADINGS

WITH all classes of freight shipments showing continued improvement, carloadings for the last two weeks of September established new high peaks for the last six years, according to the reports of the Association of American Railroads. Loadings for the week ended September 26, totalled 807,070 cars, an increase of 17,560, cars over the preceding week and of 177,135 cars over the corresponding week of last year. The 1935 week, however, was affected by the short-lived coal strike.

Total loadings in the first thirty-nine weeks of 1936 were 26,178,592 cars, an increase of 13.3 per cent over last year and of 12.1 per cent over 1934.

Carloadings by commodity groups for the first thirty-nine weeks of 1936 and 1935, follow:

	1936	1935	Change P. Ct.
Miscellaneous freight..	10,464,596	8,899,035	+17.6
Merchandise (L.C.L.)..	6,128,135	6,043,891	+1.4
Coal	4,914,564	4,451,789	+10.4
Forest products.....	1,232,485	1,016,233	+21.3
Ore	1,208,826	801,702	+50.7
Coke	336,699	239,548	+40.5
Grain & grain products	1,380,883	1,166,864	+18.4
Livestock	512,904	493,022	+4.0

Carloadings by Weeks *

	1936	1935	1934
Sept. 26	807,070	629,935	646,084
Sept. 19	789,510	706,820	644,488
Sept. 12	699,859	699,786	647,485
Sept. 5	764,680	591,941	563,883
Aug. 29	753,742	680,848	647,531
Aug. 22	734,973	625,774	606,917

* Source: Association of American Railroads.

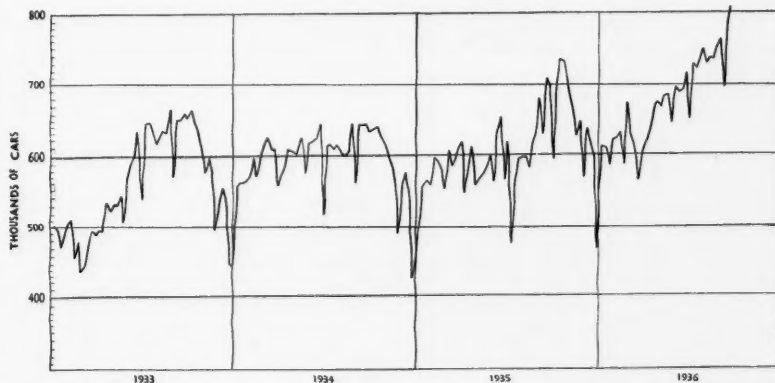
Shipments of Pneumatic Casings *

	1936	1935	1934	1933	1932
Jan.	3,875	3,663	3,222	2,597	3,253
Feb.	3,211	3,287	3,285	2,292	2,553
Mar.	3,856	4,204	4,223	2,092	2,954
Apr.	4,903	5,144	4,438	3,654	3,698
May	5,832	4,067	5,332	5,180	4,258
June	5,792	4,262	5,228	6,305	10,065
July	5,744	5,447	4,157	5,497	2,404
Aug.	4,799	4,308	4,707	2,655	2,655
Sept.	3,803	3,183	3,503	3,082	3,082
Oct.	4,095	3,010	2,537	1,799	1,799
Nov.	3,990	3,191	2,197	1,711	1,711
Dec.	4,154	3,109	3,531	1,819	1,819
Total	50,355	46,686	44,092	40,251	40,251

* Source: Rubber Manufacturers' Association, Inc.

Production of tires amounted to 5,465,000 units in July. This was a decrease of 2.6 per cent from the preceding month's figure of 5,610,-

FREIGHT CARLOADINGS



Following the dip due to the Labor Day holiday, carloadings showed a sharp seasonal expansion. Freight shipments in the two final periods of September established new high marks for the past six years.

GRAPHIC REVIEWS

SEPTEMBER BUILDING PERMITS

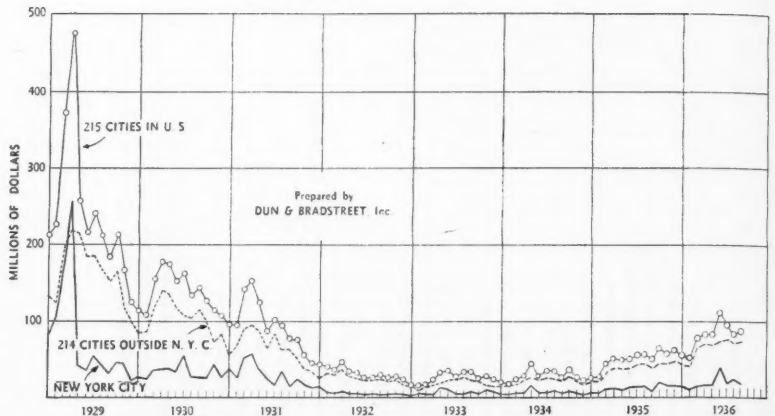
THE building industry surged forward during September, as the result of sharp gains in permits issued in some of the larger cities of the Middle Atlantic, South Atlantic and East Central States. This lifted the total value of permits taken out in the 215 cities reporting regularly to Dun & Bradstreet, Inc., to \$88,791,762 for the month, as compared with \$83,109,753 during August, or an increase of 6.8 per cent. Contrast with the September, 1935, total of \$47,479,944, revealed an increase of 87.0 per cent.

The group totals of building permit values for 215 cities for September, 1936 and 1935, are shown in the following table:

Groups:	September, 1936	September, 1935	Change P. Ct.
New England...	\$3,751,115	\$2,714,273	+ 38.2
Middle Atlantic...	23,793,678	14,072,915	+ 69.1
South Atlantic...	9,885,231	6,875,120	+ 43.8
East Central...	25,217,791	8,990,538	+ 180.5
West Central...	7,020,596	3,926,415	+ 78.8
Mountain...	3,076,547	2,689,000	+ 36.7
Pacific...	1,449,858	2,090,928	- 30.7
Total U. S....	\$88,791,762	\$47,479,944	+ 87.0
New York City...	\$17,331,441	\$9,227,037	+ 87.8
Outside N.Y.C.	\$71,460,321	\$38,252,907	+ 86.8

Comparisons between September this year and last, showed large increases in most groups.

BUILDING PERMIT VALUES



Following two monthly declines from the five-year peak reached in June, the value of building permits turned upward in September. The gain of 6.8 per cent compared with a normal seasonal decrease of 10 per cent.

For the first nine months of 1936 building permits aggregated \$730,826,945, the highest since 1931, and a gain of 78.0 per cent above a year ago.

Building Permit Values (Monthly)

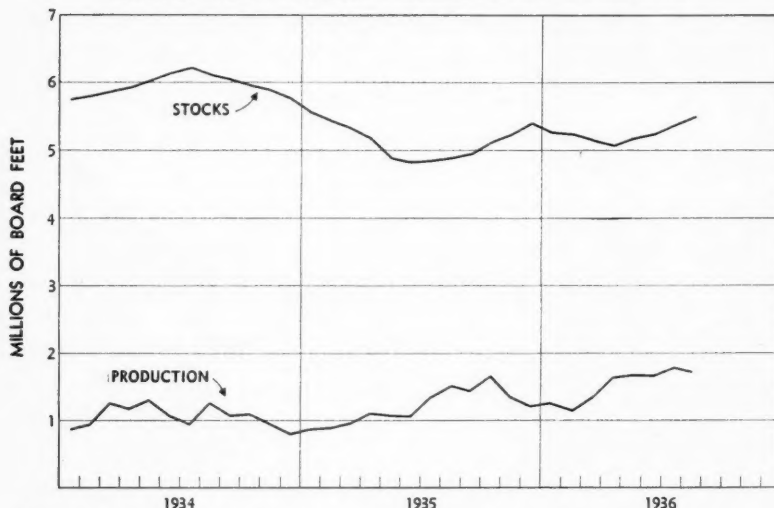
(215 Cities)

	1936	1935	1934
Jan.	\$54,957,904	\$26,826,268	\$20,825,055
Feb.	51,559,661	27,636,367	19,326,964
Mar.	78,072,223	45,068,852	25,505,005
April	83,903,095	51,717,570	29,280,696
May	82,510,596	49,327,248	43,825,268
June	112,640,106	52,672,794	28,621,505
July	95,281,845	54,191,787	33,899,650
Aug.	83,109,753	55,536,546	34,452,738
Sept.	88,791,762	47,479,944	26,567,925
Oct.	66,965,705	37,501,122	37,501,122
Nov.	56,276,588	27,459,066	27,459,066
Dec.	62,992,039	21,125,723	21,125,723
Total....	\$596,686,708	\$348,390,747	

SOFTWOOD LUMBER INDUSTRY

PRODUCTION of lumber continued at a high level during August. Output of softwoods for the month totalled 1,706,000,000 board feet, representing a slight drop from the July figure, but an increase of 12.5 per cent over the like month of 1935. Shipments likewise showed only a small loss from the July total. Stocks increased slightly during the month, the total of 5,476,000,000 reflecting a rise of 11.7 per cent above the end of August, 1935.

LUMBER (SOFTWOODS) PRODUCTION AND STOCKS



Shipments and stocks of softwood lumber during August were only slightly under the high level of the preceding month, but were well above the totals of one and two years ago. Stocks showed a small gain.

Lumber (Softwoods) Production*

(Millions of Board Feet)

	1936	1935	1934
January	1,261	871	889
February	1,138	901	944
March	1,343	977	1,253
April	1,613	1,102	1,188
May	1,638	1,084	1,310
June	1,623	1,074	1,069
July	1,773	1,358	935
August	1,706	1,517	1,279
September	1,457	1,052	1,052
October	1,669	1,098	1,098
November	1,347	944	944
December	1,215	794	794
Total	14,572	12,735	

Lumber (Softwoods) Stocks*

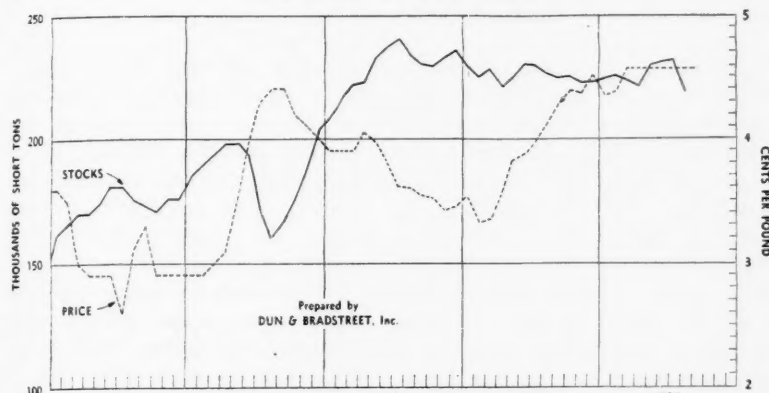
(Millions of Board Feet)

	1936	1935	1934
January	5,298	5,587	5,764
February	5,221	5,454	5,801
March	5,155	5,325	5,871
April	5,097	5,196	5,936
May	5,181	4,884	6,020
June	5,215	4,833	6,155
July	5,334	4,865	6,234
August	5,476	4,901	6,134
September	5,476	4,974	6,050
October	5,178	5,994	5,994
November	5,300	5,898	5,898
December	5,358	5,774	5,774
Monthly Average...	5,155	5,969	

* Source: National Lumber Manufacturers' Association.

OF MAJOR TRENDS

LEAD STOCKS AND PRICES



Smaller output, together with increased consumption in August, combined to reduce domestic stocks of lead to the lowest level in about two and a half years. Shipments were the highest since January, 1931.

LEAD STOCKS OFF SHARPLY

AUGUST statistics for the lead industry were the most favorable for many months, according to the report released by the American Bureau of Metal Statistics. It is necessary to go back to July, 1933, to find a larger decrease in surplus stocks than that which occurred in August, while shipments reached the highest level recorded since January, 1931. Despite this bullish showing the price of lead remained unchanged at 4.45 cents per pound, St. Louis basis. This price has ruled since last March.

Shipments for August increased sharply to 46,388 tons, which compared with 38,195 tons in the same month of last year. Production declined from 39,576 tons in July to 33,542 tons in August, a drop of 6,034 tons.

Lead Stocks—End of Month *

	1936	1935	1934	1933
Jan. ...	224,013	229,675	207,674	184,693
Feb. ...	225,010	224,638	216,224	189,751
Mar. ...	223,388	228,580	221,465	194,251
Apr. ...	220,991	220,043	222,892	196,827
May ...	229,409	225,057	233,245	197,109
June ...	230,481	231,077	238,181	193,005
July ...	231,081	230,915	240,595	171,275
Aug. ...	218,233	227,583	234,312	160,211
Sept. ...	...	224,992	230,219	166,201
Oct. ...	...	225,309	229,859	174,721
Nov. ...	...	222,636	232,634	187,814
Dec. ...	...	222,306	235,457	203,061

* Source: American Bureau of Metal Statistics.

Lead Shipments *

	1936	1935	1934	1933
Jan. ...	34,590	33,695	33,911	19,030
Feb. ...	33,086	32,523	25,778	17,349
Mar. ...	36,743	28,973	30,365	21,950
Apr. ...	40,457	40,922	30,673	25,378
May ...	33,125	32,341	29,316	28,197
June ...	37,736	26,978	28,276	34,825
July ...	38,996	34,575	29,479	45,177
Aug. ...	46,388	35,195	33,606	36,054
Sept. ...	...	37,615	36,018	29,129
Oct. ...	...	42,271	35,943	33,314
Nov. ...	...	43,035	31,762	30,719
Dec. ...	...	42,333	34,680	26,034
Total.	433,456	379,807	347,156	...

* Source: American Bureau of Metal Statistics.

The drop in domestic lead stocks of 12,848 tons during August was more than the trade expected, and brought the total at the end of the month to 218,233 tons. This was also 9,350 tons under August 31, 1935, when stocks totalled 227,583 tons.

ELECTRICITY PRODUCTION

ELECTRIC power output in August reached 9,739,000,000 kilowatt-hours, breaking all previous records, according to the report of the Federal Power Commission. Daily average production for the month was 314,148,000 kilowatt-hours, or 1.4 per cent more than July, and was also the largest daily average output for any month on record. The normal change from July to August is an increase of 2.5 per cent.

Monthly Electricity Production *

	1936	1935	1934	1933
January ...	9,246	8,354	7,651	6,965
February ...	8,599	7,491	7,066	6,297
March ...	8,904	8,008	7,735	6,687
April ...	8,898	7,816	7,458	6,478
May ...	9,085	8,022	7,704	7,013
June ...	9,124	7,875	7,490	7,242
July ...	9,628	8,373	7,617	7,491
August ...	9,739	8,576	7,722	7,688
September ...	...	8,206	7,207	7,350
October ...	...	8,847	7,833	7,479
November ...	...	8,690	7,609	7,243
December ...	...	9,139	8,058	7,470
Total ...	99,397	91,150	85,403	...

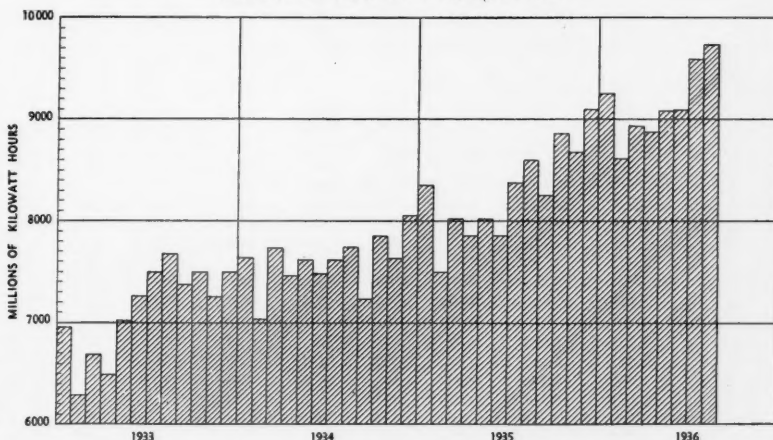
* Source: Federal Power Commission.

Weekly Electricity Output *

	1936	1935	1934	1933
Oct. 3 ...	2,169,442	1,863,483	1,659,000	...
Sept. 26 ...	2,157,278	1,857,470	1,649,000	...
Sept. 19 ...	2,170,807	1,851,541	1,631,000	...
Sept. 12 ...	2,028,583	1,827,513	1,634,000	...
Sept. 5 ...	2,098,924	1,752,066	1,585,000	...
Aug. 29 ...	2,135,598	1,809,716	1,627,000	...
Aug. 22 ...	2,125,502	1,839,815	1,648,000	...
Aug. 15 ...	2,093,928	1,832,695	1,674,000	...
Aug. 8 ...	2,079,149	1,819,371	1,659,000	...
Aug. 1 ...	2,079,137	1,821,398	1,658,000	...
July 25 ...	2,088,284	1,823,521	1,684,000	...
July 18 ...	2,099,712	1,807,037	1,664,000	...

* Source: Edison Electric Institute.

ELECTRIC POWER PRODUCTION



Rising steadily since last Spring, electric power production in August again established a new all-time peak. The increase over July was 1 per cent, while the gain over August, 1935, amounted to 1 1/2 per cent.

INTERNATIONAL MONEY MARKETS

DISINTEGRATION of the European gold bloc of countries resulted suddenly, but far from unexpectedly, late in September, from the many factors that have pointed in this direction during the last three years. The French Socialist Government headed by Premier Leon Blum announced its decision to engage in another devaluation of the franc on September 26, and a few hours later on the same day Switzerland and Holland followed suit.

This ended the long and desperate struggle of successive French regimes to maintain the integrity of the franc, as established in 1928 under the guidance of Premier Poincaré. It also signified the crumbling of the last monetary citadel of the prewar era, for the Swiss franc and the Holland guilder were the sole currencies of the world that still retained the gold contents of 1914.

Although any currency tamper-

ing necessarily occasions financial uncertainty, it was immediately evident that the capitulation of the gold bloc would involve very little unsettlement. The action was considered inevitable in all markets, and the tendency was to view the franc and guilder devaluations with relief. The feeling of relief was heightened, moreover, by an accord for the defense of the new relationships between sterling, the dollar, and the French franc, announced by the three governments concerned at the same time that French devaluation was made known.

Currency Stability Foreseen

The British, French and American Treasury statements differed in minor details, but in general it was made clear that the three countries look forward to genuine currency stability. Liberty of action was reserved in every case, but the three governments jointly

welcomed the opportunity to reaffirm intentions of continuing the policy of maintaining the greatest possible equilibrium in the system of international exchange, and to avoid to the utmost extent the creation of any disturbance of that system.

Other countries, moreover, were invited to co-operate for the realization of the policy laid down. What amounted to a warning to other countries was contained in the suggestion that no attempt be made to obtain an unreasonable competitive exchange advantage and thereby hamper the effort to restore more stable economic relations. Each of the three governments declared an intention to use appropriate available resources, so as to avoid as far as possible any disturbance of the basis of international exchange.

In this highly important international understanding, attention also was given the problem of stimulating the development of international trade. The greatest importance was attached, in the declarations, to progressive relaxation of the present system of quotas and exchange controls, with a view to their abolition.

These statements provoked much conjecture as to a possible international currency stabilization conference, but it was realized everywhere that many fresh adjustments would be brought about by the termination of the gold bloc. It also was realized that the readjustments of price levels, trade relationships, exchange levels and other economic factors would proceed at varying paces. Months and perhaps years will have to pass before harmony can be restored in all aspects of the situation, and only after such harmony is realized can genuine stability be recognized

GOLD RESERVES OF CENTRAL BANKS

(Figures are in millions of dollars; the valuation ratio is: One ounce = \$35.00)

End of	England	France	Holland	Switzerland	Japan	Italy	Russia	Germany	United States
1914.....	721	1,375	...	...	108	455	1,509	843	2,042
1920.....	1,277	1,160	433	178	941	345	...	440	4,150
1925.....	1,177	1,204	301	152	975	371	159	488	6,748
1930.....	1,216	3,556	290	234	698	472	422	894	7,154
1931.....	996	4,570	605	767	396	501	555	396	6,859
1932.....	987	5,510	703	808	359	520	623	325	6,848
1933.....	1,572	5,112	627	653	359	632	704	156	6,793
1934.....	1,584	5,445	573	624	394	518	744	32	8,238
1935									
Jan.	1,586	5,438	555	600	395	519	744	32	8,391
Feb.	1,586	5,439	552	586	397	519	744	32	8,527
Mar.	1,586	5,479	553	560	398	519	748	33	8,567
Apr.	1,587	5,366	439	446	400	519	748	33	8,710
May	1,587	4,759	440	390	403	519	748	33	8,858
June	1,588	4,708	427	391	407	498	748	35	9,116
July	1,588	7,726	380	421	410	468	748	38	9,144
Aug.	1,593	4,756	402	446	413	419	748	38	9,203
Sept.	1,595	4,770	365	448	416	379	839	38	9,368
Oct.	1,604	4,773	401	453	418	351	839	35	9,693
Nov.	1,628	4,388	427	455	422	351	839	36	9,920
Dec.	1,648	4,395	438	454	425	270	839	33	10,125
1936									
Jan.	1,652	4,324	455	454	428	270	839	31	10,182
Feb.	1,653	4,362	463	472	431	270	839	29	10,167
Mar.	1,653	4,348	486	493	433	270	839	29	10,184
Apr.	1,670	4,106	483	495	435	270	...	28	10,225
May	1,701	3,781	465	485	439	270	...	28	10,402
June	1,782	3,580	404	460	442	270	...	29	10,608
July	1,977	3,643	437	471	447	270	...	29	10,648
Aug.	2,017	3,614	457	489	450	270	...	28	10,716

in a formal stabilization accord.

The French "readjustment" of the franc obviously was based on the 25 to 30 per cent excess of the general French price level over the world level. It was announced that the franc gold content of 65.5 milligrams of nine-tenths fineness would be abandoned and replaced by a tentative weight between 49 and 43 milligrams, reflecting a sliding-scale devaluation of 25.2 to 34.3 per cent. British and American devaluation practices were emulated in the creation of a stabilization fund of 10,000,000,000

francs (\$500,000,000), to be derived from the gold "profit" of devaluation.

In the Swiss case the devaluation is between 26 and 34 per cent. The Netherlands Government stated that the guilder would be permitted to seek its own level before any fixed points are declared. Holland made known that a 300,000,000 guilder stabilization fund would be established from funds raised through the sales of Treasury bonds.

Pending the enactment of the necessary laws, all securities and

foreign exchange markets of the three countries were ordered to suspend operations. The Swiss and Holland parliaments responded quickly to the appeals of their governments and passed the devaluation bills on September 30. The French Parliament adjusted its party differences and enacted the proposed legislation on October 1. As the markets reopened, security price levels advanced sharply to compensate for the devaluations, while the exchanges suffered the inevitable depreciation.

DAILY CLOSING QUOTATIONS OF FOREIGN EXCHANGE (BANKERS' BILLS) IN THE NEW YORK MARKET DURING SEPTEMBER, 1936

Country and Par	Tues. Sept. 1	Wed. Sept. 2	Thurs. Sept. 3	Fri. Sept. 4	Sat. Sept. 5	Mon. Sept. 7	Tues. Sept. 8	Wed. Sept. 9	Thurs. Sept. 10	Fri. Sept. 11	Sat. Sept. 12	Mon. Sept. 14	Tues. Sept. 15
England, checks (Pound \$8.2397)	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%	5.05%	5.05%	5.05%	5.06	5.05%	5.05%	5.03%
England, cables (Pound \$8.2397)	5.03%	5.03%	5.03%	5.03%	5.03%	5.03%	5.05%	5.05%	5.05%	5.06	5.05%	5.05%	5.03%
France, checks (Franc 6.6335c)	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%
France, cables (Franc 6.6335c)	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%
Germany, checks (Mark 40.33c)	40.20%	40.21	40.21	40.21	40.21	40.21	40.20	40.21	40.21	40.21	40.21	40.20	40.20
Germany, cables (Mark 40.33c)	40.22%	40.23	40.23	40.23	40.23	40.23	40.22	40.23	40.23	40.23	40.23	40.22	40.22
Belgium, checks (Belga 16.95c)	16.87%	16.88	16.88	16.88	16.90	16.90	16.90	16.90	16.90	16.90	16.90	16.90	16.90
Belgium, cables (Belga 16.95c)	16.88%	16.88%	16.89	16.89	16.90%	16.90%	16.90%	16.90%	16.90%	16.90%	16.90%	16.90%	16.90%
Holland, checks (Guilder 68.056c)	67.88	67.88	67.87	67.83%	67.85%	67.85%	67.61	67.71%	67.78%	67.82	67.84%	67.83%	67.85
Holland, cables (Guilder 68.056c)	67.92	67.92	67.91	67.87%	67.89%	67.89%	67.65	67.75%	67.82%	67.86	67.88%	67.87%	67.89
Czechoslovakia, checks (Crown 4.18c)	4.13	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%
Czechoslovakia, cables (Crown 4.18c)	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%
Switzerland, checks (Franc 32.67c)	32.59%	32.59%	32.60%	32.59%	32.58%	32.58%	32.55%	32.54%	32.56	32.58%	32.59	32.59%	32.59
Switzerland, cables (Franc 32.67c)	32.60	32.60	32.61	32.60	32.59	32.59	32.56	32.55	32.56%	32.59	32.59%	32.60	32.59%
Italy, checks (Lira 8.911c)	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%
Italy, cables (Lira 8.911c)	7.87	7.87	7.87	7.87	7.87	7.87	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%
Spain, checks (Peseta 32.67c)	4.58%	4.58%	4.59	4.59	4.59	4.59	4.60	4.60	4.60	4.60	4.60	4.61%	4.61%
Spain, cables (Peseta 32.67c)	4.58%	4.58%	4.59	4.59	4.59	4.59	4.60	4.60	4.60	4.60	4.60	4.61%	4.61%
Portugal, checks (Escudo 7.483c)	22.46%	22.47	22.48	22.48	22.47%	22.47%	22.55%	22.57	22.56	22.58	22.57%	22.59%	22.60
Portugal, cables (Escudo 7.483c)	22.47%	22.48	22.49	22.49	22.48%	22.48%	22.56%	22.58	22.57	22.59	22.58%	22.60%	22.61
Denmark, checks (Krone 45.374c)	25.95	25.95%	25.97	25.96%	25.96	25.96	26.05%	26.07	26.05%	26.08	26.07%	26.10	26.10%
Denmark, cables (Krone 45.374c)	25.96	25.96%	25.98	25.97%	25.97	25.97	26.06%	26.08	26.06%	26.09	26.08%	26.11	26.11%
Norway, checks (Krone 45.374c)	25.30	25.30%	25.31%	25.31%	25.30%	25.30%	25.39	25.40%	25.39%	25.41	25.41%	25.43	25.43%
Norway, cables (Krone 45.374c)	25.30	25.30%	25.31%	25.31%	25.30%	25.30%	25.40	25.41%	25.40%	25.42	25.42%	25.44	25.44%
Greece, checks (Drachma 2.197c)	.93%	.93%	.93%	.93%	.93%	.93%	.93%	.93%	.93%	.93%	.93%	.94	.94
Greece, cables (Drachma 2.197c)	.94	.94	.94	.94	.94	.94	.94%	.94%	.94%	.94%	.94%	.94%	.94%
Australia, checks (Pound \$8.2397)	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.04	4.04%	4.04%	4.04%	4.04%	4.04%	4.05
Australia, cables (Pound \$8.2397)	4.02%	4.02%	4.03	4.03	4.02%	4.02%	4.04%	4.04%	4.04%	4.04%	4.04%	4.05	4.05%
South Africa, checks (Pound \$8.2397)	5.02%	5.03	5.03%	5.03%	5.03	5.03	5.04%	5.05%	5.05	5.05%	5.05%	5.05%	5.06
Montreal, demand (Dollar \$1.6931)	99.98	100.00	100.00	100.00	100.00	100.00	100.08	100.02	100.02	100.02	100.03	100.05	100.05
Argentina, demand (Paper peso 71.87c)	33.75	33.75	33.75	33.75	33.75	33.75	33.70	33.70	33.70	33.70	33.70	33.76	33.76
Brazil, demand (Paper milreis 20.25c)	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%
Chile, demand (Gold peso 5.19c)	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17
Mexico, demand (Silver peso 34.398c)	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80
Uruguay, demand (Gold peso \$1.751)	53.00	53.25	53.25	53.25	53.25	53.25	53.25	54.00	54.00	54.00	54.00	54.75	54.75

Country and Par	Wed. Sept. 16	Thurs. Sept. 17	Fri. Sept. 18	Sat. Sept. 19	Mon. Sept. 21	Tues. Sept. 22	Wed. Sept. 23	Thurs. Sept. 24	Fri. Sept. 25	Sat. Sept. 26	Mon. Sept. 28	Tues. Sept. 29	Wed. Sept. 30
England, checks (Pound \$8.2397)	5.06%	5.05%	5.06%	5.06%	5.06%	5.07%	5.08%	5.05%	5.02	4.97	4.94%	4.95%	4.94%
England, cables (Pound \$8.2397)	5.06%	5.05%	5.06%	5.06%	5.06%	5.07%	5.08%	5.05%	5.02	4.97	4.94%	4.95%	4.94%
France, checks (Franc 6.6335c)	6.58%	6.58%	6.58%	6.58%	6.58%	6.58	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%
France, cables (Franc 6.6335c)	6.58%	6.58%	6.58%	6.58%	6.58%	6.58	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%
Germany, checks (Mark 40.33c)	40.20%	40.20%	40.22	40.21	40.21	40.15	40.15	40.17	40.17	40.14	39.58	39.58	40.02
Germany, cables (Mark 40.33c)	40.22%	40.22%	40.24	40.23	40.23	40.17	40.17	40.19	40.19	40.16	39.60	39.60	40.10
Belgium, checks (Belga 16.95c)	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89	16.89%	16.87%	16.87%	16.91%	16.92%	16.91
Belgium, cables (Belga 16.95c)	16.90	16.90	16.89%	16.89%	16.89%	16.89%	16.89%	16.90	16.88	16.90	16.92	16.93	16.91%
Holland, checks (Guilder 68.056c)	67.84%	67.85	67.85	67.84%	67.82%	67.66	67.61	67.58	67.48	64.96	54.96	56.01	54.96
Holland, cables (Guilder 68.056c)	67.88%	67.89	67.89	67.88%	67.86%	67.70	67.65	67.62	67.52	65.00	55.00	56.05	55.00
Czechoslovakia, checks (Crown 4.18c)	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.14	4.13%	4.13%	4.13%	4.12%
Czechoslovakia, cables (Crown 4.18c)	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.13%	4.14	4.13%	4.13%	4.13%	4.12%
Switzerland, checks (Franc 32.67c)	32.58%	32.58	32.57%	32.59	32.58%	32.57	32.57	32.56%	32.56	32.56%	33.14%	23.08	23.01
Switzerland, cables (Franc 32.67c)	32.58%	32.58%	32.58%	32.59%	32.60	32.57%	32.57	32.56%	32.57	32.57	33.15	23.09	23.02
Italy, checks (Lira 8.911c)	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.84%	7.80%	7.80%
Italy, cables (Lira 8.911c)	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.85	7.81	7.81
Spain, checks (Peseta 32.67c)	4.62	4.62	4.62	4.62	4.62	4.63	4.63	4.60	4.58	4.54	4.51%	4.53	4.53
Spain, cables (Peseta 32.67c)	4.62	4.62	4.62	4.62	4.62	4.63	4.63	4.60	4.58	4.54	4.51%	4.53	4.53
Portugal, checks (Escudo 7.483c)	22.61	22.58	22.60%	22.60%	22.59%	22.63	22.62	22.54%	22.40	22.18	22.05%	22.12	22.08
Portugal, cables (Escudo 7.483c)	22.62	22.59	22.61%	22.61%	22.60%	22.64	22.63	22.55%	22.41	22.19	22.06%	22.13	22.09
Denmark, checks (Krone 45.374c)	26.11%	26.08	26.11	26.11	26.10	26.14	26.13	26.04%	25.87%	25.62	25.47%	25.55%	25.50
Denmark, cables (Krone 45.374c)	26.12%	26.09	26.12	26.12	26.11	26.15	26.14	26.05%	25.88%	25.63	25.48%	25.56%	25.51
Norway, checks (Krone 45.374c)	25.45	25.41%	25.44%	25.44%	25.43%	25.47%	25.46%	25.38	25.21%	24.97	24.82%	24.90	24.85
Norway, cables (Krone 45.374c)	25.46	25.42%	25.45%	25.45%	25.44%	25.48%	25.47%	25.39	25.22%	24.98	24.83%	24.91	24.86
Greece, checks (Drachma 2.197c)	.94%	.94%	.94%	.94%	.94%	.94%	.94%	.94%	.94%	.94%	.90%	.90%	.90%
Greece, cables (Drachma 2.197c)	.94%	.94%	.94%	.94%	.94%	.94%	.94%	.94%	.94%	.94%	.90%	.90%	.90%
Australia, checks (Pound \$8.2397)	4.05	4.04%	4.05	4.05	4.04%	4.05%	4.05%	4.04	4.01%	3.97%	3.95%	3.96%	3.95%
Australia, cables (Pound \$8.2397)	4.05%	4.04%	4.05%	4.05%	4.05%	4.05%	4.05%	4.04%	4.01%	3.97%	3.95%	3.96%	3.95%
South Africa, checks (Pound \$8.2397)	5.06	5.05%	5.05	5.05%	5.05	5.06%	5.06%	5.04%	5.01%	4.97	4.94	4.95%	4.94%
Montreal, demand (Dollar \$1.6931)	100.09	100.06	100.08	100.08	100.09	100.12	100.18	100.08	100.03	99.94	100.00	100.01	100.00
Argentina, demand (Paper peso 71.87c)	33.75	33.77	33.75	33.75	33.76	33.76	33.80	33.70	33.40	33.40	32.97	33.00	33.00
Brazil, demand (Paper milreis 20.25c)	8.72%	8.72	8.72%	8.72%	8.72%	8.72%	8.78%	8.76%	8.78%	8.78%	8.78%	8.72%	8.72%
Chile, demand (Gold peso 5.19c)	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17
Mexico, demand (Silver peso 34.398c)	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80
Uruguay, demand (Gold peso \$1.751)	54.75	55.00	54.50	54.50	54.50	54.50	54.50	55.00	55.00	55.00	55.00	55.00	55.00

* Nominal quotations. † Free. ‡ Unquoted. § Holiday.

THE TREND OF PRICES

ALTHOUGH the trend in foodstuffs and provisions was downward during September, strength in grains, hides, leather, textiles, metals and fuels, lifted the general commodity price averages for the fourth consecutive month.

Dun & Bradstreet Again Higher

A slight upward trend in September extended the upward movement of commodity prices to the fourth consecutive month. The Dun & Bradstreet Wholesale Commodity Price Index rose from \$10.1907 on September 1 to \$10.2716 on October 1. Although small, this increase brought the total gain since the year's low of \$9.7374 was reached on June 1 to 5.5 per cent. Contrasted with a year ago the October 1 index shows a rise of 0.9 per cent, while the increase over October 1, 1934, amounts to 8.6 per cent.

Groups:	Oct. 1, 1936	Sept. 1, 1936	Oct. 1, 1935
Breadstuffs	\$0.1412	\$0.1379	\$0.1109
Livestock .....	.3206	.3314	.3223
Provisions	2.8327	2.8623	2.9550
Fruits .....	.2400	.2400	.2413
Hides and Leather	1.0188	.9725	1.0150
Textiles	2.8308	2.8051	2.8930
Metals .....	.7344	.7047	.7635
Coal and Coke .....	.0118	.0115	.0113
Oils .....	.5690	.5794	.5075
Naval Stores .....	.1140	.1176	.1184
Building Materials .....	.1148	.1154	.1067
Chemicals and Drugs .....	.8461	.8461	.8478
Miscellaneous .....	.4974	.4668	.3085
Total All.....	\$10.2716	\$10.1907	\$10.1762

Of the thirteen groups which make up the index, six advanced, five declined and two remained unchanged, while individual price changes from September 1 to October 1 revealed twenty-eight advances, twenty-three declines and forty-five unchanged.

Dun's Index Continues at Peak

In spite of the strength displayed by the general trend of commodity prices during the first half of September, the rise was insufficient to approach the highs set down for some of the individual items during August. As much of this gain was lost in the irregular movements during the second half of the month, the increase in Dun's Index Number of Wholesale Commodity Prices was held down to \$0.655, which carried it to \$183.153 on October 1. This was higher by 0.36 per cent than the September 1 position, and represented an increase of 5.2 per cent over the October 1, 1935, figure of \$177.514.

	Oct. 1, 1936	Sept. 1, 1936	Aug. 1, 1936	Oct. 1, 1935
Breadstuffs ..	\$33.363	\$32.701	\$30.481	\$27.167
Meat	18.167	18.271	18.030	22.267
Dairy & Garden	20.277	20.509	22.076	18.665
Other Food	17.416	17.482	17.455	17.246
Clothing	30.354	30.334	30.584	30.274
Metals	23.916	23.537	23.537	23.324
Miscellaneous ..	39.660	39.664	39.715	38.571
Total	\$183.153	\$182.498	\$181.878	\$177.514

Weekly Food Index Lower

Four successive weekly declines lowered the Dun & Bradstreet Weekly Food Index from \$2.84 on September 8 to \$2.74 for the week ending October 6, a loss of 10c., or 3.5 per cent. The latest index was the lowest since the week ended June 30, and reflected a decrease of 0.7 per cent from the \$2.76 figure set down in the same week of last year. Compared with the corresponding 1934 week, however, there was a gain of 14.6 per cent shown.

The Weekly Food Index is the sum total of the price per pound of 31 articles in common use. Comparisons for recent weeks and years are given herewith:

	1936	1935	1934	1933	1932
Oct. 6.....	\$2.74	\$2.76	\$2.39	\$1.92	\$1.77
Sept. 29.....	2.75	2.73	2.41	1.91	1.78
Sept. 22.....	2.78	2.77	2.43	1.92	1.77
Sept. 15.....	2.82	2.77	2.41	1.92	1.78
Sept. 8.....	2.84	2.77	2.38	1.89	1.79
Sept. 1.....	2.81	2.72	2.40	1.91	1.77

Daily Commodity Index

Daily fluctuations in the Dun & Bradstreet Daily Weighted Price Index since May 1, 1936, are set forth below:

(1930-1932 = 100)

	Sept.	Aug.	July	June	May
1.....	130.50	*	121.39	115.50	119.26
2.....	130.83	†	123.26	115.60	119.27
3.....	131.23	131.97	123.45	115.97	†
4.....	131.90	131.58	*	116.39	118.91
5.....	*	131.62	†	115.94	118.54
6.....	†	130.86	124.87	116.16	118.70
7.....	Holiday	131.41	126.24	†	117.94
8.....	132.68	*	126.40	116.13	117.34
9.....	132.75	†	126.30	116.33	117.51
10.....	132.78	131.39	127.97	116.42	†
11.....	133.24	131.08	*	116.77	116.60
12.....	*	131.77	†	116.87	116.28
13.....	†	132.60	126.54	116.90	116.11
14.....	133.43	132.67	125.96	†	116.19
15.....	133.07	*	126.81	117.44	116.00
16.....	133.03	†	127.30	117.76	116.84
17.....	133.30	133.10	127.64	118.32	†
18.....	133.58	133.68	*	118.20	116.73
19.....	*	134.13	†	119.39	116.28
20.....	†	133.04	126.17	120.06	116.70
21.....	132.48	132.87	126.99	†	116.85
22.....	132.27	*	127.39	120.65	116.65
23.....	132.27	†	127.50	120.68	116.34
24.....	132.72	132.24	127.10	120.75	†
25.....	133.14	132.34	*	121.14	116.61
26.....	*	132.38	†	120.74	115.87
27.....	†	132.11	127.47	*	115.13
28.....	132.18	130.99	127.76	†	115.38
29.....	131.95	*	129.09	121.04	115.61
30.....	132.00	†	129.54	120.59	Holiday
31.....			130.43	†	

† Sunday. * Markets closed.

	High	Low
1936.....	134.13 Aug. 19	115.13 May 27
1935.....	124.83 Oct. 8	116.22 Mar. 18
1934.....	121.58 Dec. 31	101.05 Jan. 8
1933.....	113.52 July 18	67.86 Jan. 20
1932.....	84.41 Jan. 7	69.55 Dec. 24

DUN & BRADSTREET WEEKLY FOOD INDEX



The downward trend in wholesale food prices during September brought the index to the lowest level reached since the end of June. The latest figure was below a year ago for the first time since early in June.

SEPTEMBER BUILDING PERMIT VALUES FOR 215 CITIES

THE detailed report of building permit values for September, 1936 and 1935, and for August, 1936, as reported to Dun & Bradstreet, Inc., is presented herewith:

	Sept., 1936	Sept., 1935	Aug., 1936
New England			
Boston	\$525,782	\$546,135	\$642,067
Bridgeport	146,008	69,466	155,665
Brockton	28,380	14,755	56,200
Burlington, Vt.	25,000	193,473	15,000
Cambridge	57,746	61,837	85,741
Chelsea	12,540	10,413	18,490
Everett	7,238	2,425	12,663
Fall River	22,633	11,562	18,090
Fitchburg	26,932	8,281	36,012
Greenwich	347,004	152,395	395,828
Hartford	318,722	101,285	468,253
Haverhill	28,140	10,347	12,718
Holyoke	19,650	37,500	61,900
Lawrence	74,901	40,245	51,464
Lowell	17,124	23,235	26,935
Lynn	62,005	30,525	68,041
Manchester	75,334	52,315	32,858
Medford	19,095	34,140	123,100
New Bedford	28,860	15,450	40,575
New Britain	113,566	29,951	59,723
New Haven	146,007	114,559	137,771
Newton	331,285	179,495	522,546
Norwalk	95,500	35,914	701,513
Portland, Me.	77,362	26,396	72,062
Providence	238,150	238,650	205,800
Quincy, Mass.	61,320	36,052	39,455
Salem	63,300	168,950	51,450
Somerville	40,510	28,855	12,310
Springfield, Mass.	119,276	52,671	154,690
Stamford	59,355	41,003	160,576
Waterbury	93,500	30,650	92,850
West Hartford	303,522	220,792	278,296
Worcester	165,368	99,548	211,545
Total	\$3,751,115	\$2,714,273	\$5,021,489
Middle Atlantic			
Manhattan 1	\$1,766,000	\$1,588,350	\$2,510,200
Manhattan 2	1,584,995	1,764,865	2,321,686
Bronx 1	1,520,800	574,900	1,267,650
Bronx 2	406,592	292,748	461,277
Brooklyn 1	1,752,915	1,431,725	1,711,540
Brooklyn 2	1,281,170	563,370	835,845
Queens 1	8,329,274	1,808,717	2,240,175
Queens 2	481,812	924,468	482,683
Richmond 1	132,556	125,412	136,742
Richmond 2	75,327	152,482	127,376
Total N.Y.C.	\$17,331,441	\$9,227,037	\$12,095,174
(1) New work. (2) Alterations.			
Albany	\$227,383	\$209,050	\$231,315
Albany	32,470	20,400	110,015
Altoona	35,580	14,662	31,979
Atlantic City	55,577	22,769	38,988
Auburn	34,268	18,295	24,594
Bayonne	41,240	15,919	18,305
Binghamton	75,031	87,434	261,047
Buffalo	201,900	235,318	197,849
Camden	47,820	39,095	35,835
East Orange	435,993	98,921	774,644
Elizabeth	86,834	63,040	42,195
Elmira	17,370	10,283	15,313
Erie	56,175	70,710	62,516
Harrisburg	131,935	60,165	172,400
Jamestown	62,670	17,820	20,825
Jersey City	123,205	77,438	124,225
Lancaster	54,262	42,195	1,277,436
Mount Vernon	39,665	54,000	42,074
Newark, N. J.	225,281	343,503	378,542

	Sept., 1936	Sept., 1935	Aug., 1936
Mid. Atlantic			
New Brunswick	\$29,279	\$10,950	\$49,655
New Rochelle	127,839	42,130	110,570
Niagara Falls	19,377	83,973	1,617,744
Philadelphia	1,214,720	1,013,050	1,689,240
Pittsburgh	816,497	172,234	708,969
Poughkeepsie	51,810	3,600	15,000
Reading	110,550	21,960	66,725
Rochester	241,698	135,855	268,347
Schenectady	84,968	151,963	85,037
Scranton	36,130	30,079	50,602
Syracuse	504,970	92,400	97,795
Troy	34,640	27,790	92,990
Utica	43,500	43,916	176,900
Watertown	19,361	57,503	10,968
White Plains	57,865	64,815	92,975
Wilkes-Barre	204,814	39,568	115,058
Williamsport	99,748	37,150	46,985
Wilmingon	260,890	1,029,737	270,944
Yonkers	266,626	133,240	288,600
York	52,386	33,948	64,550
Total	\$23,793,678	\$14,072,915	\$21,683,934
South Atlantic			
Asheville	\$78,620	\$8,060	\$46,183
Atlanta	301,299	136,421	230,530
Augusta	61,323	106,030	54,105
Baltimore	1,177,400	684,720	1,420,080
Charleston, S.C.	41,590	22,324	37,255
Charlotte	330,320	167,016	205,846
Coral Gables	112,142	68,530	140,300
Greensboro	132,804	54,203	327,095
Greenville	608,025	109,425	107,325
Jacksonville, Fla.	1,303,612	354,210	507,660
Lynchburg	37,793	51,237	58,375
Macon	101,978	55,000	62,919
Miami	1,325,795	469,548	1,145,161
Miami Beach	1,136,397	1,069,920	1,290,217
Norfolk	85,905	136,505	186,655
Richmond	181,896	102,783	413,552
Roanoke	88,336	35,965	65,185
Savannah	26,060	23,355	49,137
Tampa	53,406	83,633	94,620
Washington D.C.	2,613,175	3,045,265	2,960,180
Winston-Salem	107,355	42,970	151,230
Total	\$9,885,231	\$6,875,120	\$9,562,930
East Central			
Akron	\$207,363	\$70,508	\$283,259
Ray City	134,123	24,317	106,286
Baytown	42,705	39,020	97,025
Bluefield	10,545	29,150	36,625
Canton	107,345	20,448	94,260
Chicago	1,803,545	1,326,200	1,604,850
Cincinnati	1,340,865	951,730	1,250,795
Clarkburg	110,000	32,171	41,693
Cleveland	6,802,400	410,200	647,875
Columbus	578,850	123,050	427,025
Dayton	608,332	76,493	538,083
Detroit	4,389,075	1,885,103	4,639,611
East St. Louis	49,915	75,474	29,428
Evansville	410,550	119,750	172,400
Evansville	256,236	186,391	321,089
Flint	496,300	285,455	584,576
Fort Wayne	129,870	101,968	260,351
Gary	107,628	100,300	85,549
Grand Rapids	222,380	56,415	116,400
Green Bay	122,705	187,200	171,230
Hammond	173,341	84,323	110,484
Huntington	95,545	95,700	55,060
Indianapolis	1,619,999	540,638	444,408
Lansing	93,440	50,645	77,290
Lima	55,320	10,976	26,306
Louisville	540,659	268,683	1,402,354
Madison	217,075	91,440	151,420
Milwaukee	1,693,595	571,070	706,687
Newark, Ohio	18,400	10,225	101,815
Oak Park	316,245	47,470	46,990
Peoria	189,768	162,135	205,670
Pontiac	447,225	72,185	103,791
Quincy, Ill.	1,010	7,580	20,785
Racine	114,068	56,011	41,025
Rockford	114,140	54,115	122,560
Saginaw	115,185	41,232	65,239
South Bend	122,615	45,705	128,835
Springfield, Ill.	492,580	133,965	56,715
Springfield, O.	62,285	42,532	316,550
Superior	73,174	27,474	26,800
Terre Haute	129,870	18,558	18,638
Toledo	182,260	292,330	100,500
Waukegan	18,425	37,094	45,292
Wheeling	61,449	32,023	76,050
Youngstown	249,151	89,651	129,409
Zanesville	35,125	5,415	35,860

	Sept., 1936	Sept., 1935	Aug., 1936
South Central			
Abilene	\$7,310	\$7,365	\$30,160
Amarillo	59,559	22,720	69,141
Austin	576,881	629,318	275,887
Beaumont	61,637	55,093	36,320
Birmingham	175,921	130,171	336,979
Chattanooga	353,524	141,258	159,241
Dallas	466,443	302,019	484,079
El Paso	56,152	18,585	46,074
Fort Smith	42,564	37,519	57,459
Fort Worth	414,949	324,000	820,335
Galveston	166,923	46,973	67,166
Houston	1,077,409	554,150	1,007,748
Jackson	184,607	48,560	109,638
Knoxville	314,771	270,772	517,630
Little Rock	93,237	53,456	67,547
Memphis	656,790	207,870	392,670
Mobile	88,525	36,724	75,185
Montgomery	54,450	95,302	122,070
Muskogee	10,475	15,845	22,950
Nashville	206,436	88,728	563,347
New Orleans	377,812	133,415	794,351
Oklahoma City	586,445	226,795	1,042,396
Port Arthur	69,519	27,957	86,140
San Angelo	12,670	21,620	28,625
San Antonio	258,953	184,783	567,368
Shreveport	341,176	96,427	372,578
Tulsa	183,531	131,705	117,415
Waco	83,602	15,575	31,394
Wichita Falls	37,945	1,210	17,843
Total	\$7,020,596	\$3,926,415	\$8,522,756
West Central			
Cedar Rapids	\$110,921	\$101,116	\$71,473
Davenport	133,116	67,473	93,894
Des Moines	233,019	105,219	269,380
Dubuque	15,065	30,299	12,705
Duluth	125,905	106,393	126,917
Fargo	26,900	16,423	40,800
Kan. City, Kan.	30,150	19,265	26,185
Kan. City, Mo.	168,900	322,100	233,200
Lincoln	62,769	18,249	69,280
Minneapolis	668,605	417,325	1,348,150
Omaha	336,631	145,556	227,152
St. Joseph	41,395	13,265	28,840
St. Louis	514,541	571,642	861,238
St. Paul	542,041	345,314	475,669
Sioux City	120,575	68,175	143,512
Sioux Falls	78,685	51,980	42,485
Topeka	230,735	58,815	135,375
Wichita	221,596	130,391	181,187
Total	\$3,676,547	\$2,689,000	\$4,387,442
Mountain			
Billings	\$103,625	\$31,340	\$54,395
Boise	137,800	140,709	157,706
Butte	6,251	13,898	19,934
Colorado Sp'gs.	65,859	38,270	61,140
Denver	568,317	1,469,967	1,906,997
Great Falls	27,090	28,640	27,125
Ogden	29,892	93,984	843,000
Phoenix	113,180	53,760	124,610
Pueblo	21,450	20,229	16,994
Salt Lake City	381,997	156,789	172,080
Tucson	98,022	74,682	146,922
Total	\$1,449,858	\$2,090,928	\$3,476,508
* Not included in totals.			
Pacific			
Bakersfield	\$107,816	\$59,478	\$125,342
Berkeley	246,478	120,968	225,479
Beverly Hills	354,800	428,200	468,570
Bremerton	195,869	135,233	161,967
Glendale	422,684	144,155	359,966
Long Beach	835,325	542,335	532,035
Los Angeles	7,166,966	2,057,006	5,884,102
Oakland	828,616	376,868	722,174
Pasadena	227,860	154,220	341,638
Portland, Ore.	567,260	229,115	615,840
Sacramento	436,914	214,488	1,062,087
San Diego	606,163	276,611	688,269
San Francisco	944,312	653,046	1,699,327
San Jose	170,560	78,695	138,410
Seattle	429,025	321,210	611,050
Spokane	279,290	202,330	179,480
Stockton	58,270	73,198	93,490
Tacoma	118,738	53,599	123,216
Total	\$13,996,946	\$8,120,755	\$14,

STATISTICAL RECORD OF

VISIBLE GRAIN SUPPLIES

Returns to DUN & BRADSTREET, INC., of available wheat stocks held on October 3, 1936, in the United States and Canada, leading ports of the United Kingdom and Europe, and the supply on passage for the United Kingdom, also the stocks of corn and oats held in the United States and Canada, with comparisons, are as follows, figures being in bushels:

Wheat	Oct. 3, 1936	Changes from Last Week	Oct. 5, 1935
United States, east of Rocky Mountains.....	81,912,000	—	534,000
United States, west of Rocky Mountains.....	7,070,000	+	194,000
Canada.....	149,908,000	+	2,126,000
Total, United States and Canada.....	238,890,000	+	1,786,000
United Kingdom and Afloat (Broomhall).....	53,100,000	—	700,000
Total, American, United Kingdom and Afloat.....	273,990,000	+	1,086,000
Continent { Marseilles Rotterdam & (Broomhall).....	3,500,000	+	400,000
Total, American and European Supply.....	277,490,000	+	1,486,000
Corn—United States and Canada.....	4,336,000	+	370,000
Oats—United States and Canada.....	64,684,000	+	345,000

The combined aggregate wheat visible supply statistics, in bushels, follow. (Last three 000 omitted):

Week ending 1936	U. S. east of Rockies	U. S. Pacific Coast	Total U. S.	Canada	Total U. S. and Canada	U. K. and Afloat (Broomhall)	Total American, U. K. and Afloat	Continent Europe	Total America and Europe
July 4.....	27,958	2,637	30,595	137,039	167,634	36,600	204,234	2,100	206,334
July 11.....	35,680	2,241	37,921	134,002	171,923	35,100	207,023	2,200	209,223
July 18.....	50,021	1,987	52,008	129,309	181,317	32,900	214,217	2,200	216,417
July 25.....	64,842	1,068	65,910	122,038	187,948	30,000	217,948	2,500	220,448
Aug. 1.....	72,783	2,774	75,557	116,409	191,966	30,000	221,966	2,200	224,166
Aug. 8.....	78,665	2,768	81,433	111,203	192,736	29,500	222,236	2,200	224,436
Aug. 15.....	81,677	2,781	84,458	106,458	190,916	30,400	221,316	2,000	223,316
Aug. 22.....	83,805	3,788	87,593	105,825	193,418	30,400	223,818	2,300	226,118
Aug. 29.....	84,764	4,578	89,342	113,276	202,618	31,100	233,718	2,500	236,218
Sept. 5.....	84,351	6,054	90,405	124,382	214,787	31,800	246,587	2,400	248,987
Sept. 12.....	84,134	6,422	90,556	134,859	225,415	32,800	258,215	2,800	261,015
Sept. 19.....	83,121	6,641	89,762	141,932	231,694	34,800	266,494	3,200	269,694
Sept. 26.....	82,446	6,876	89,322	147,782	237,104	35,800	272,904	3,100	276,004
Oct. 3.....	81,912	7,070	88,982	149,908	238,890	35,100	273,990	3,500	277,490

Corn Exports

(By telegraph to Dun & Bradstreet, Inc.)

Corn exports in bushels from leading United States and Canadian ports compare as follows:

Week ending	1936	1935	1934
July 4.....
July 11.....	1,000	1,000	.....
July 18.....
July 25.....
Aug. 1.....	1,000
Aug. 8.....
Aug. 15.....
Aug. 22.....
Aug. 29.....	1,000	.....
Sept. 5.....	43,000	.....
Sept. 12.....	1,000
Sept. 19.....
Sept. 26.....
Oct. 3.....

July 1 to date.... 1,000 45,000 2,000

Wheat and Flour Exports

(By telegraph to Dun & Bradstreet, Inc.)

The quantity of wheat (including flour as wheat) exported from leading United States and Canadian ports for the week and season compare as follows, in bushels:

Week ending	1936	1935	1934
July 4.....	4,204,352	1,820,161	2,121,280
July 11.....	3,760,220	2,022,880	3,312,925
July 18.....	4,585,489	1,596,768	3,346,957
July 25.....	3,627,886	2,564,594	3,100,955
Aug. 1.....	4,940,198	2,547,974	3,161,307
Aug. 8.....	4,956,984	1,814,106	4,081,280
Aug. 15.....	4,578,351	2,194,549	3,804,462
Aug. 22.....	4,179,116	2,326,084	3,571,308
Aug. 29.....	4,096,301	2,690,841	4,728,198
Sept. 5.....	3,550,287	1,640,799	3,491,789
Sept. 12.....	5,123,417	2,500,082	3,650,365
Sept. 19.....	4,417,533	3,793,517	3,881,173
Sept. 26.....	3,785,291	3,493,901	3,563,843
Oct. 3.....	4,545,724	3,579,622	4,265,574

July 1 to date. 60,351,149 34,585,878 50,141,407

Grain Movement

Receipts of flour and grain at twelve Western lake and river points for the week and season compare as follows (000 omitted):

Week	Flour, bbls.	Wheat, bus.	Corn, bus.	Oats, bus.
Oct. 3, 1936....	415	5,802	2,827	1,798
Sept. 26, 1936....	434	5,020	3,013	1,431
Sept. 19, 1936....	396	4,479	2,149	1,227
Sept. 12, 1936....	323	5,121	2,294	1,067
Sept. 5, 1936....	421	4,790	2,906	1,107
Oct. 5, 1935....	437	11,572	2,543	4,102

Season, July 1, 1936, to October 3, 1936—

Flour, bbls....	5,820	Corn, bus....	54,165
Wheat, bus....	117,982	Oats, bus....	43,527

Season, July 1, 1935, to October 5, 1935—

Flour, bbls....	5,196	Corn, bus....	25,163
Wheat, bus....	182,129	Oats, bus....	62,732

Cereal Exports by Ports

(By telegraph to Dun & Bradstreet, Inc.)

Exports of cereals from leading ports in the United States and Canada for the week ending October 3, 1936, were as follows:

From	Flour, barrels	Wheat, bushels	Corn, bushels
New York.....	38,195	494,000	.....
Albany, N. Y.....	.....	448,000	.....
New Orleans.....	2,000	.....	.....
Total, Atlantic....	40,195	942,000	.....
Previous week....	45,493	239,000	.....
San Francisco.....	531	.....	.....
Portland, Ore.....	7,735	60,000	.....
Puget Sound.....	225	.....	.....
Total, Pacific....	8,491	60,000	.....
Previous week....	5,771	49,999	.....
Total, U. S.....	48,686	1,002,000	.....
Previous week....	51,264	288,999	.....
Montreal.....	83,000	464,000	.....
Churchill.....	.....	627,000	.....
Sorel.....	.....	455,000	.....
Halifax.....	6,000	.....	.....
Vancouver.....	*66,181	741,822	.....
New Westminster....	*1,000	.....	.....
Ft. William.....	.....	48,000	.....
Three Rivers.....	.....	286,000	.....
Total, Canada....	156,181	2,621,822	.....
Previous week....	61,000	2,991,004	.....
Grand total.....	204,867	3,623,822	.....
Previous week....	112,264	3,280,103	.....

* Flour exports for month of August, 1936.

U. S. Grain East of Rocky Mountains

Stocks of grain available in the United States October 3, 1936, in bushels, were as follows, with comparisons:

(Last three 000 omitted)

	Wheat	Corn	Oats	Barley
Minneapolis.....	6,382	12	20,174	5,863
Duluth.....	4,704	94	6,908	1,937
Sioux City, Iowa....	631	53	475	40
Milwaukee.....	631	30	90	3,442
Omaha and Council Bluffs.....	5,379	383	4,451	115
Hutchinson.....	5,190	.....	.....	.....
Lincoln, Neb.....	630	50	.....	.....
Wichita.....	1,473	.....	26	.....
Kansas City.....	17,509	367	1,950	55
St. Joseph.....	1,819	60	171	8
Chicago.....	10,694	995	10,112	2,179
Peoria.....	17	5	.....	.....
Indianapolis.....	2,009	414	1,130	.....
St. Louis.....	4,444	102	1,270	181
Louisville.....	2,515	42	38	3
Chattanooga.....	200	60	.....	.....
Nashville.....	180	62	804	.....
New Orleans.....	1	38	38	1
Galveston.....	775	.....	.....	.....
Fort Worth, Tex....	3,843	426	217	7
Dallas, Tex.....	784	.....	.....	.....
On Lakes.....	.....	.....	.....	.....
On Canal.....	.....	20	.....	.....
Detroit.....	165	6	8	139
Erie, Pa.....	.....	6	.....	.....
Cleveland.....	22	.....	.....	.....
Mansfield.....	490	45	450	.....
Dayton.....	32	22	12	6
Cincinnati.....	723	167	85	4
Buffalo.....	7,342	270	1,831	1,377
Afloat.....	98	.....	.....	.....
Boston.....	.....	106	1	.....
Providence, R. I....	2	20	11	1
New York.....	83	79	100	.....
Afloat.....	.....	24	.....	.....
Philadelphia.....	972	158	32	1
Baltimore.....	1,618	151	30	4
Newport News.....	.....	.....	.....	.....
Norfolk.....	515	95	.....	.....

Oct. 3, 1936..... 81,912 4,336 50,452 15,394
Sept. 26, 1936..... 82,446 3,966 50,980 14,592
Oct. 5, 1935..... 80,226 4,000 42,366 13,286

Canadian Grain Stocks

The available grain stocks in Canada October 3, 1936, follow, with comparisons:

(Last three 000 omitted)

	Wheat	Corn	Oats	Barley
Montreal.....	7,039	.....	522	523
Churchill.....	610	.....	.....	.....
Country Elevators....	48,887	.....	6,550	4,068
Int. Term. Elevators..	107	.....	449	61
Int. Private & Mfg. Elevators.....	6,551	.....	1,820	2,239
Ft. William and Pt. Arthur.....	37,468	.....	2,834	4,832
Canadian Afloat.....	.....	.....	.....	.....
Victoria.....	.....	.....	.....	.....
Vancouver.....	7,093	.....	590	35
Prince Rupert.....	1,026	.....	.....	.....
Bonded grain in the United States.....	20,807	.....	7	1,501
Other Canadian.....	20,322	.....	1,460	769

Oct. 3, 1936..... 149,908 14,232 13,991
Sept. 26, 1936..... 147,782 13,359 13,154
Oct. 5, 1935..... 231,928 10,016 7,673

The Montreal, Fort William and Port Arthur and bonded grain totals are furnished by the New York Produce Exchange and Chicago Board of Trade. The other Canadian totals are telegraphed to DUN & BRADSTREET, INC., by the Agricultural Branch of the Dominion Bureau of Statistics of Ottawa.

Pacific Coast Wheat Stocks

	Oct. 3, 1936	Sept. 26, 1936
Portland, Ore.....	4,023,000	3,793,000
Tacoma, Wash.....	1,421,000	1,458,000
Seattle, Wash.....	1,626,000	1,625,000
Total.....	7,070,000	6,876,000

COMMERCE AND FINANCE

FINANCIAL STATISTICS

	Sept., 1936	Sept., 1935	Ch'ge P. Ct.	Aug., 1936	Ch'ge P. Ct.
Bank clearings, N. Y.	15,286,677	13,644,566+	12.0	12,778,688+	19.6
Bank debits, N. Y.	15,655,748	14,014,162+	11.7	14,362,444+	9.0
City (\$)	33,247,862	29,030,623+	14.5	31,468,867+	5.7
Bond sales, N. Y. Curb	150,921,523	115,116,312+	36.3	62,753,105+	130.1
Exchange (\$)	53,028,000	67,579,000-	21.5	47,706,000+	11.2
Bond sales, N. Y. Stock	304,837,900	250,189,800+	21.8	215,242,300+	41.6
Exchange (\$)	190,306,000	252,391,500-	24.6	246,090,089-	22.7
Corporate issues (\$)	586	787	25.5	653	10.5
Failures, liabilities (\$)	9,819,000	17,002,000-	42.2	8,271,000+	18.7
Stock sales, N. Y. Curb	6,930,920	6,014,120+	15.2	5,962,337+	16.2
Exchange (shares)	30,872,287	34,748,340-	11.2	26,564,032+	16.2
Stock sales, N. Y. Stock					
Exchange (shares)					
Aug., 1936		Aug., 1935	Ch'ge	July, 1936	Ch'ge
Automobile financing, re-	140,435,695	100,761,009+	39.4	168,685,164+	16.7
tail (\$)					
Auto. financing, whole-	127,032,454	92,918,405+	36.7	162,404,418+	21.8
sale (\$)	21,714,495	18,137,060+	19.7	22,357,020-	2.9
Fire losses (\$)					
Foreign Trade, U. S.	178,249,000	172,126,000+	3.6	179,776,000-	0.8
Mdse. Exports (\$)	195,016,000	169,030,000+	15.4	194,180,000+	0.4
Foreign Trade, U. S.	669,685,000	646,371,000+	3.6	748,389,000+	10.5
Mdse. Imports (\$)	350,584,820	293,989,543+	19.3	349,743,963+	0.2
Life insurance, sales (\$)					
Ry. earnings, gross (\$)	64,680,717	42,156,706+	53.4	61,773,765+	4.7
Ry. earnings net oper.					
income (\$)					

* Three cyphers omitted. † Dun & Bradstreet, Inc. ‡ Journal of Commerce.

PRODUCTION

	Sept., 1936	Sept., 1935	Ch'ge P. Ct.	Aug., 1936	Ch'ge P. Ct.
Building† (215 cities) (\$)	68,791,762	47,479,944+	87.0	83,109,753+	6.8
Building† (120 cities) (\$)	72,748,000	37,888,000+	92.0	65,352,000+	11.3
Coal, anthracite (tons)	3,818,000	4,172,000-	8.5	3,223,000+	18.5
Coal, bituminous (tons)	36,772,000	25,038,000+	46.9	33,240,000+	10.6
Pig iron (tons)	2,730,293	1,776,476+	53.7	2,711,721+	0.7
Steel ingot (tons)	4,161,108	2,825,004+	47.3	4,193,130+	0.8
Zinc (tons)	42,283	39,221+	16.7	43,614+	3.1
Aug., 1936		Aug., 1935	Ch'ge	July, 1936	Ch'ge
Automobile (cars and	271,291	237,400+	14.3	440,999+	38.5
trucks)					
Boots and shoes (pairs)	40,068,584	37,243,414+	7.6	35,209,500+	13.8
Rabbit metal (lbs.)	2,494,737	1,892,822+	31.8	2,539,624+	1.8
Cement (bbls.)	12,535,030	7,235,000+	73.3	11,446,000+	9.5
Coke (tons)	3,993,602	2,833,707+	40.9	3,828,548+	4.3
Contract awards					
(137 States) †† (\$)	275,281,000	168,557,200+	63.3	204,734,500+	6.6
Cotton mill spin. hours	7,573,010	5,545,241+	36.6	7,559,349+	3.6
Electricity, k. w. h.	9,739,000	8,576,000+	13.6	9,628,000+	1.2
Gasoline (bbls.)	44,568,000	40,488,000+	10.1	43,560,000+	2.5
Glass, pl. pot. (sq. ft.)	18,710,000	14,526,000+	28.8	16,428,000+	13.9
Gold (Rand) (ozs.)	964,517	929,331+	3.8	967,993+	0.4
Lead, refined (tons)	33,542	34,856+	3.8	39,576+	15.2
Malleable castings (tons)	42,253	35,245+	19.9	44,413+	4.9
Newsprint, U. S. & Can-					
ada (tons)	343,726	310,733+	10.6	347,988+	1.2
Paperboard (tons)	319,391	291,127+	9.7	299,033+	6.8
Petroleum, crude (bbls.)	95,090,000	84,816,000+	12.1	92,078,000+	3.3
Pneumatic casings	5,014,415	3,992,800+	25.6	5,464,927+	8.2
Range boilers (no.)	103,208	69,922+	47.6	80,036+	29.0
Steel barrels	584,690	602,292-	2.9	761,517+	23.2
Steel castings, commer-					
cial (tons)	81,574	34,972+	133.3	78,654+	3.7
Steel sheets (short tons)	202,456	206,613-	2.0	217,651+	7.0
Sulphuric acid (tons)	141,501	123,209+	14.8	121,166+	16.8
Superphosphates (short					
tons)	256,702	221,772+	15.8	243,162+	5.6
Tobacco and products					
Cigarettes, small†	13,430,194	11,074,831+	12.2	14,801,028+	9.3
Cigars, large	445,975,527	422,281,685+	5.6	482,447,774+	7.6
Tobacco a n d snuff	26,755,620	30,212,345-	11.4	31,326,455-	14.6
(lbs.)					

* Three cyphers omitted. † Dun & Bradstreet, Inc. †† F. W. Dodge Corp.

SHIPMENTS AND CONSUMPTION

	Sept., 1936	Sept., 1935	Ch'ge P. Ct.	Aug., 1936	Ch'ge P. Ct.
Silk consumption (bales)	45,709	45,156+	1.2	42,016+	8.8
Tin. deliveries (tons)	961,803	614,933+	56.4	923,703+	4.1
(long tons)					
Zinc, shipments (tons)	51,847	42,351+	22.4	46,085+	12.5
Aug., 1936		Aug., 1935	Ch'ge	July, 1936	Ch'ge
Anthracite, ship. (tons)	2,917,377	2,393,145+	21.9	3,345,309+	12.8
Rabbit met. sales (lbs.)	1,723,124	1,470,976+	17.1	1,976,178+	12.8
Carloading (cars)	2,941,700	2,803,500+	4.9	3,188,700+	7.7
Cement, ship. (bbls.)	12,560,000	8,105,000+	55.0	11,766,000+	6.7
Coal, anth. and bit. ind.					
cons. (tons)	27,238,000	21,979,000+	23.9	20,764,000+	1.8
Cotton cons. (bales)	574,289	408,325+	40.6	603,203+	4.8
Gasoline cons. (bbls.)	46,081,000	42,836,000+	7.6	46,638,000+	1.2
Lead, refined (tons)	46,388	38,195+	21.5	38,996+	19.0
Malleable castings (tons)	35,554	27,772+	28.0	46,158+	23.0

SHIPMENTS AND CONSUMPTION (Continued)

	Aug., 1936	Aug., 1935	Ch'ge P. Ct.	July, 1936	Ch'ge P. Ct.
Newsprint, U. S. & Can-					
ada (tons)	350,335	300,412+	16.6	346,574+	1.1
Oil-burners (no.)	20,219	15,549+	30.0	17,220+	17.4
Paints and var., sales (\$)	33,380,037	28,501,654+	17.1	33,919,137+	1.6
Petroleum, crude, runs-					
to-stills (bbls.)	93,444,000	84,584,000+	10.5	91,709,000+	1.9
Pneumatic casings	4,976,383	4,739,259+	5.0	5,743,863+	13.4
Range boilers (no.)	103,799	63,878+	62.5	78,442+	32.3
Rubber, cr. cons. (tons)	46,657	38,775+	20.3	48,127+	3.1
Steel barrels	588,660	600,993-	2.1	752,223+	21.7
Steel sheets, ship. (short					
tons)	197,156	180,893+	9.0	213,372+	7.6
Sulph. acid, cons. (tons)	114,521	99,673+	15.0	90,325+	15.3
Superphosphates (short					
tons)	104,068	93,514+	11.3	104,366+	0.3
Waste paper (consump.)					
(tons)	268,770	246,537+	9.0	249,402+	7.8
Wool consump., scoured					
basis (lbs.)	33,800,000	39,600,000-	14.6	31,500,000+	7.3

STOCKS ON HAND AT END OF MONTH

	Sept., 1936	Sept., 1935	Ch'ge P. Ct.	Aug., 1936	Ch'ge P. Ct.
Silk, raw (bales)	29,553	38,680-	23.6	29,825-	0.9
Tin, world's visible sup-					
ply (long tons)	13,587	11,939+	13.8	15,295+	11.2
Zinc (tons)	76,630	106,316-	27.9	86,194+	11.1
Aug., 1936		Aug., 1935	Ch'ge	July, 1936	Ch'ge
Cement (bbls.)	18,950,000	22,415,000-	15.5	18,975,000-	0.1
Coal, anth. and bit. ind.					
stocks (tons)	29,845,000	39,599,000-	24.6	28,748,000+	3.8
Coke, by-product (tons)	1,985,957	3,191,888-	37.8	1,816,031+	9.4
Cotton, ex. lint. (bales)					
In mfg. plants	752,219	648,533+	16.0	898,084+	16.2
In warehouses	4,336,724	5,895,412-	26.4	3,924,101+	10.5
Gasoline at ref. (bbls.)	33,417,000	26,549,000+	25.9	35,062,000+	4.7
Lead, refined (tons)	218,233	227,583-	4.1	231,081-	5.6
Newsprint, U. S. & Can-					
ada (tons)	87,258	93,564-	6.7	95,287-	8.4
Oil-burners (no.)	23,578	18,422+	28.0	21,542+	9.5
Petroleum, crude, excl.					
Calif. (bbls.)	258,685,000	284,471,000-	9.1	262,013,000+	1.3
Pneumatic casings	7,793,438	7,805,054-	0.2	7,746,388+	0.6
Range Boilers (no.)	39,164	42,220-	7.2	39,755-	1.5
Rubber, on hand & afloat					
to U. S. (long tons)	292,653	381,830-	23.4	294,841-	0.7
Steel barrels	28,426	39,431-	27.9	32,396-	12.3
Steel sheets (sh. tons)	141,328	138,432+	2.1	138,884+	1.8
Sulphuric acid (tons)	77,500	91,995-	15.7	74,325+	4.4
Superphosphates (short					
tons)	845,381	979,038-	13.7	770,790+	9.7
Waste paper (tons)	297,880	288,137+	27.0	219,042-	5.1

GOVERNMENT STATISTICS

	Aug. 31, 1936	Aug. 31, 1935	July 31, 1936
Money in circul., U. S. (\$)	6,226,735,827	5,628,781,402	6,161,947,699
Population	128,562,000	127,670,000	128,487,000
Per capita (\$)	48.43	44.06	47.96
Gen. stock money, U. S. (\$)	17,517,848,200	15,250,447,938	17,430,000,797
Sept. 30, 1936		Sept. 30, 1935	Aug. 31, 1936
Debt, gross, U. S. (\$)	33,832,894,228	29,421,331,670	33,380,468,641
United States:		Sept., 1935	Aug., 1936
Receipts, ordinary (\$)	499,013,551	420,810,826	343,015,357
Expenditures, ord. (\$)	406,356,941	336,378,983	317,493,413
Expenditures, emerg. (\$)	267,795,363	244,640,835	252,045,403

MONTHLY INDEX NUMBERS

EMPLOYMENT—PAY ROLLS—PRODUCTION (1923-1925 = 100)

	Aug., 1936	July, 1936	June, 1936	Aug., 1935
Employment (Factory) (BLS)	88.7	86.8	86.0	82.0
Pay Rols (Factory) (BLS)	81.0	77.8	78.7	69.1
Production, ind. (FRB) adj.	107.0	107.0	103.0	87.0

PRICE INDEX NUMBERS (WHOLESALE)

	Base Year	Oct. 1, 1936	Sept. 1, 1936	Aug. 1, 1936	Same month 1935
DUN'S	1926	\$183.153	\$182.498	\$181.878	\$177.514
BRADSTREET'S	1926	\$10.2716	\$10.1907	\$10.1445	\$10.1762
U. S. Bureau of Labor	1926		81.6	80.5	80.5
Annalist	1913	127.8	127.8	125.6	127.6
Canada (Dom. Bureau)	1926	76.0	76.2	74.4	72.4
Aug., 1936		Aug., 1935	July, 1936	June, 1936	Same month 1935
U. K. (Board of Trade)	1930	95.2	93.7	92.6	88.4
U. K. (Economist)	1913	100.2	98.6	96.6	93.0
U. K. (Statist)	1913	104.4	102.1	99.3	98.9
France (Stat. Gen.)	1913	402	392	378	330
Germany (Official)	1913	104.7	104.3	104.1	102.4
Belgium	1914	582	576	570	552
Denmark (Official)	1913	142	140	138	134
Norway	1913	134	132	132	128
Sweden	1913	120	119	118	115
Holland	1929		62.5	61.8	60.8
Japan (Oriental Economist)	1913	186.7	185.1	181.5	170.4
China (Shanghai)	1926	107.4	107.3	106.2	90.5

† Average over previous month.

LARGEST SEPTEMBER BANK CLEARINGS SINCE 1931

DESPITE the fact that September bank clearings usually are at the low point for the year, the current total showed an increase over the August figure of 12.5 per cent. The aggregate for twenty-two leading cities in the United States was \$23,927,000,000, against \$21,269,000,000 in August and \$20,986,000,000 in September, 1935. Besides topping the amount for September, 1935, by 14.0 per cent, the latest figure was in excess of that for any September since 1931. Included in the month's report was the third installment of the Federal income tax payments.

Rise in New York Clearings

Improvement was noted in the September New York City clearings over those of the previous month and a year ago. The total of \$15,287,000,000 was 16.4 per cent in excess of the August aggregate of \$12,779,000,000 and was 12.0 per cent above the \$13,645,000,000 recorded for September, 1935.

Daily Average Bank Clearings

	(000 omitted)		P. Ct. Change
	1936	1935	
September ..	\$957,080	\$874,417	+ 9.5
August	818,038	826,407	- 1.0
July	958,385	934,269	+ 2.6
June	1,005,692	895,680	+12.3
May	898,917	888,558	+ 1.2
April	950,423	877,269	+ 8.3
March	1,023,446	936,678	+ 9.3
February ...	959,348	868,545	+10.1
January	972,770	907,278	+ 7.2
	1935	1934	
December ..	\$962,866	\$869,271	+10.8
November ..	962,672	739,907	+25.2
October	925,833	747,546	+23.8

Outside Centers High

Advances over last year's amounts appeared at all centers outside of New York, with the exception of Minneapolis and Omaha. The decreases at those two cities were slight, however. The highest percentage of gain was shown at Dallas, where the total was 45.7 per cent above the 1935 comparative. Other cities at which noteworthy gains appeared were Cleveland, New Orleans, Cincinnati, Louisville, Atlanta, Seattle, Detroit and Baltimore.

All of these cities listed rose 20 per cent or more. Last September the average of gain over the year preceding was not so high at many centers, though Pittsburgh, New Orleans, Detroit, Seattle and some of the others rose appreciably.

Monthly Bank Clearings

	(000,000 omitted)		Per Cent Change
	1936	1935	
September	\$23,927	\$20,986	+14.0
August	21,269	22,313	- 4.7
July	24,918	24,291	+ 2.6
June	26,148	22,392	+16.8
May	22,473	23,103	- 2.7
April	24,711	22,899	+ 8.3
March	26,610	24,354	+ 9.3
February	22,065	19,108	+15.5
January	25,292	23,590	+ 7.2
Total	\$217,413	\$202,946	+ 7.1

Daily Average Clearings

After dropping during August to the lowest level in nearly two years, average daily bank clearings rose notably in September. For the latter month the average amounted to \$957,080,000, an advance of 17.0 per cent over the \$818,038,000 recorded for August. The gain over the \$874,417,000 of September, 1935, amounted to 9.5 per cent.

SEPTEMBER BANK CLEARINGS, 1931-1936

(000,000 omitted)

	Sept., 1936	Per Cent*	Sept., 1935	Per Cent*	Sept., 1934	Per Cent*	Sept., 1933	Per Cent*	Sept., 1932	Per Cent*	Sept., 1931
Boston	\$872	+15.6	\$754	+11.9	\$674	-12.9	\$774	+ 3.2	\$750	-43.1	\$1,319
Philadelphia	1,495	+17.0	1,278	+16.9	1,093	+11.2	983	- 7.0	1,057	-37.5	1,662
Buffalo	141	+17.8	120	+15.4	104	- 1.9	106	+ 5.0	101	-31.8	148
Pittsburgh	522	+10.6	472	+42.6	331	- 0.6	333	+ 6.4	313	-42.6	545
Cleveland	375	+36.6	275	+14.1	241	+ 3.4	233	- 5.7	247	-39.3	407
Cincinnati	248	+26.6	196	+19.5	164	+ 5.1	156	- 1.9	159	-32.0	234
Baltimore	271	+20.2	225	+10.8	203	+18.7	171	-20.5	215	-31.1	312
Richmond	175	+13.5	154	- 1.9	157	+45.4	108	- 6.9	116	-22.7	150
Atlanta	227	+25.1	182	+16.7	156	+11.4	140	+24.0	113	-23.1	147
New Orleans	159	+29.2	123	+20.6	102	+32.5	77	-35.3	119	-18.5	146
Chicago	1,282	+19.9	1,070	+14.8	932	+11.0	840	+ 5.5	796	-42.4	1,381
Detroit	409	+20.8	339	+25.6	270	+10.7	244	+ 3.0	237	-50.1	476
St. Louis	366	+15.9	316	+15.3	274	+11.8	245	- 0.8	247	-32.7	367
Louisville	137	+25.1	110	+19.6	92	+16.5	79	+ 8.2	73	-23.2	95
Minneapolis	290	- 5.0	305	+15.1	265	+ 5.2	252	+17.2	215	-17.3	260
Kansas City	395	+13.8	347	+ 9.5	317	+30.5	243	- 2.4	249	-27.1	342
Omaha	133	- 1.1	135	+17.4	115	+29.2	89	+ 3.5	86	-35.8	134
Dallas	231	+45.7	159	+ 2.6	155	+12.3	138	+16.9	118	-20.8	149
San Francisco	610	+15.0	530	+16.0	457	+10.1	415	+ 1.5	409	-29.5	580
Portland, Ore.	142	+19.4	119	+20.2	99	+28.6	77	+11.6	69	-36.7	109
Seattle	160	+21.5	132	+24.5	106	+14.0	93	+ 4.5	89	-27.6	123
Total	\$8,640	+17.7	7,341	+16.4	\$6,307	+ 8.8	\$5,796	+ 0.3	\$5,778	-36.6	\$9,116
New York	15,287	+12.0	13,645	+17.4	11,621	- 6.7	12,458	- 6.2	13,279	-32.5	19,666
Total All	\$23,927	+14.0	\$20,986	+17.1	\$17,928	- 1.8	\$18,254	- 4.2	\$19,057	-33.8	\$28,782

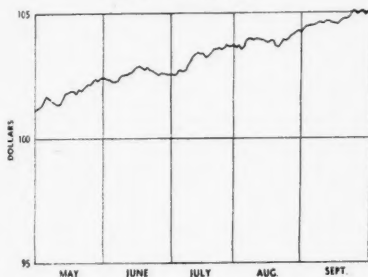
(*) Percentage change from year preceding.

STOCK TRADING VOLUME UNDER 1935 LEVEL

by GEORGE RAMBLES

MOVEMENTS of stock prices were modest and inconclusive throughout September on the securities exchanges in New York. Dealings in equities also were on a rather small scale, for traders and investors alike appeared desirous of further indications of economic and political trends. Foreign developments likewise were an important factor, especially toward the end of September, when the members of the European gold bloc finally gave up the long struggle against devaluation of currencies.

BOND PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal." Both aggregate and market value of bonds increased during the month, the average price of \$95.79 being 40c. higher than the average of \$95.39 on Sept. 1.

It is quite usual for stock prices to mark time when the financial community finds the situation perplexing. That condition prevailed all through the month, although a few sharp variations occurred in connection with the French, Swiss and Dutch currency moves, and the agreement by the United States, Britain and France to maintain a sort of interim monetary stability, pending final and formal stabilization.

Even the currency developments, however, failed to affect the American markets materially, since losses of one day were cancelled by the gains of the next.

As measured by the prominent average calculations, equities moved slightly higher during September, but the gain was only fractional. It sufficed to occasion the best general level since the upswing began in March, 1935, and therefore the best average in five years.

In the first half of September the general tendency was upward, owing mainly to the continued trade and industrial progress reflected in the leading reports. Elections in Maine, which favored the Republicans in that State, exerted no influence whatever, as the bearing of the voting on the national result in November remained subject to any interpretation. Steel stocks were in good demand for a while, on the basis of advances in certain fabricated products.

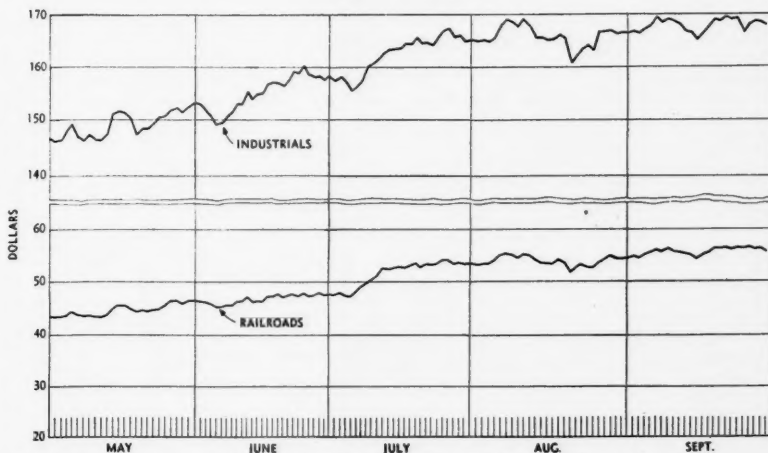
In the second half of the month the principal movements were toward lower levels, but these failed to wipe out all the previous advances. Gold movements from France to the United States at-

tained huge proportions soon after the mid-month period, and the financial community sensed the monetary change that finally was announced on September 26.

Bonds listed on the New York Stock Exchange showed better results than equities. United States Government and best grade corporate issues advanced steadily in the first half of September, and remained close to the record figures thereafter. Secondary rail liens and other corporate bonds with a speculative tinge advanced sharply. In the foreign dollar bond department, large recessions were noted in French obligations on the devaluation announcement, but others were steady.

Trading in equities on the New York Stock Exchange amounted to 30,872,000 shares during September, as compared to 26,564,000 shares in August and 34,748,000 in September, 1935. Listed bond dealings increased and totalled \$304,000,000 par value, against \$250,000,000 in the same month of last year.

STOCK PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal." Although the stock turnover was only 4,308,000 shares more than in August, the average price a share on October 1 was lifted to \$40.88 from \$40.56 on September 1, the highest level reached in five years.

COTTON GOODS MILLS SOLD AHEAD FOR SIX MONTHS

by C. S. WOOLSLEY

THE cotton textile industry, as a whole, will earn profits in the last quarter of the year, in some cases enough to offset the losses suffered in the first five months of 1936. Earnings in the first half of next year, however, are another matter and will depend on the ability of mills to withstand the temptation to over-produce. A few mills are operating on three shifts, but it appears quite likely that the vast majority of plants will continue to stick to the two-shift 40-hour week schedules which were set up under the N.R.A. and were later voluntarily adopted by more than 90 per cent of the industry.

Business done in all types of cotton goods in September and during the first half of October was unusually heavy, and supplied most mills with backlogs large enough to assure capacity operations for the next five to six months. Prices on many lines of gray and finished goods are at the

peak for the current year and appear headed for still higher levels. In most cases, quotations have definitely crossed the cost levels at which they have been hovering for years, and have reached a point where they will yield profits for the average well-equipped and efficiently-managed plant. Early in October, a number of mills raised wages or restored cuts effected during the depths of the depression. While some labor unrest exists, it is confined to scattered, individual plants; there is no likelihood of a repetition of the general strike of two years ago.

Backlogs at Peak

Sales of cotton gray goods in September and early October were the largest in any period since the war years, not excepting the boom that developed in 1933, prior to the application of N.R.A. In a period of seven trading days, mills booked enough business on

gray goods to assure at least two months of steady production. This business, added to the large aggregate of orders written in the last few months, will keep most plants active for the balance of the year at least. In fact, many mills have sold a good share of their production for January-February.

The cotton gray goods market is now assured of continued heavy mill operations, probably at the present rate at least through the first four months of next year. Prices are likely to move higher, rather than lower, as shortages grow more acute. There has been little or no speculative buying. Even if the gray goods market runs into second hand selling, no harm can result, it is held, because of the shortages.

Due to the large backlogs that have been built up in staple finished cotton goods, sellers find it necessary to pare down new commitments and allot goods against old contracts. Practically

DAILY SPOT MIDDLING COTTON PRICES AT LEADING CENTERS DURING SEPTEMBER, 1936
(Cents Per Pound)

	Tues. Sept. 1	Wed. Sept. 2	Thurs. Sept. 3	Fri. Sept. 4	Sat. Sept. 5	Mon. Sept. 7	Tues. Sept. 8	Wed. Sept. 9	Thurs. Sept. 10	Fri. Sept. 11	Sat. Sept. 12	Mon. Sept. 14	Tues. Sept. 15
New Orleans	11.83	12.02	11.90	12.00	11.91	*	12.52	12.48	12.48	12.52	12.52	12.42	12.38
New York	11.87	12.05	11.95	12.04	11.91	.....	12.54	12.50	12.50	12.55	12.55	12.45	12.40
Savannah	11.78	11.95	11.85	11.94	11.82	.....	12.44	12.41	12.41	12.45	12.45	12.35	12.30
Galveston	11.85	12.00	11.90	12.00	11.88	.....	12.51	12.47	12.47	12.51	12.51	12.40	12.35
Memphis	11.30	11.50	11.55	11.65	11.50	.....	12.15	12.10	12.15	12.15	12.15	12.05	11.90
Norfolk	11.70	11.80	11.76	11.80	11.70	.....	12.20	12.20	12.25	12.30	12.35	12.30	12.30
Augusta	11.72	11.92	11.80	11.89	11.76	.....	12.39	12.35	12.36	12.55	12.55	12.45	12.40
Houston	11.80	11.98	11.88	11.98	11.86	.....	12.50	12.47	12.47	12.51	12.51	12.36	12.29
Little Rock	11.28	11.45	11.35	11.59	11.47	.....	12.09	12.06	12.07	12.10	12.10	12.00	11.95
Fort Worth	11.42	11.61	11.50	11.59	11.46	.....	12.09	12.05	11.96	12.00	12.00	11.89	11.85
Dallas	11.42	11.61	11.50	11.59	11.46	.....	12.09	12.05	11.96	12.00	12.00	11.89	11.85

	Wed. Sept. 16	Thurs. Sept. 17	Fri. Sept. 18	Sat. Sept. 19	Mon. Sept. 21	Tues. Sept. 22	Wed. Sept. 23	Thurs. Sept. 24	Fri. Sept. 25	Sat. Sept. 26	Mon. Sept. 28	Tues. Sept. 29	Wed. Sept. 30
New Orleans	12.22	12.38	12.38	12.25	12.10	12.25	12.25	12.20	12.17	12.28	12.36	12.43	12.55
New York	12.37	12.38	12.38	12.25	12.16	12.23	12.24	12.24	12.27	12.34	12.47	12.55	12.63
Savannah	12.27	12.28	12.28	12.15	12.06	12.14	12.13	12.14	12.08	12.19	12.30	12.39	12.47
Galveston	12.25	12.25	12.25	12.05	11.90	11.97	11.97	11.97	11.92	11.98	12.10	12.20	12.29
Memphis	11.90	11.90	11.99	11.80	11.70	11.90	11.85	11.85	11.80	11.90	12.00	12.10	12.15
Norfolk	12.30	12.30	*	12.15	12.05	12.10	12.10	12.10	12.10	12.15	12.25	12.50	12.55
Augusta	12.37	12.38	12.38	12.25	12.17	12.23	12.24	12.24	12.19	12.28	12.40	12.48	12.57
Houston	12.24	12.24	12.24	12.09	11.97	12.09	12.00	12.00	11.94	12.04	12.15	12.23	12.32
Little Rock	11.82	11.83	11.83	11.70	11.61	11.69	11.69	11.80	11.73	11.84	11.95	12.04	12.13
Fort Worth	11.82	11.83	11.83	11.70	11.62	11.68	11.69	11.69	11.64	11.73	11.85	11.93	12.02
Dallas	11.82	11.83	11.83	11.70	11.62	11.68	11.69	11.69	11.64	11.73	11.85	11.93	12.02

* Holiday.

every class of cotton is heavily bought ahead. The purpose of most merchants is to spread contract responsibility as widely as possible. Within the last six weeks, advances have been scored on most staple colored goods. Denims, chambrays, coverts, tickings, percales, towels, sheets and pillowcases, gingham, express stripes and hickories were marked up sharply. The advances were quickly absorbed by the trade and brought about no cessation in demand.

Statistics show that cotton mills at the present time are employing 425,000 workers, as against 360,000 a year ago. Total weekly pay rolls are averaging \$5,890,000, against \$4,500,000 a year ago. Thus the average earnings of individual workers have increased, since the number of workers is 18 per cent higher than a year ago, while total pay rolls show an increase of 31 per cent. The figures show that 65,000 more persons are employed, and that pay rolls have increased by \$1,390,000.

Woolen Orders Increasing

Wool goods mills continue to build up fair-sized backlogs on men's wear Spring materials. New business is coming in on an average of 2,500,000 to 2,700,000 yards weekly, while deliveries against old orders are running about 2,000,000 yards weekly. Sales are expected to show gains during the rest of the year and many of the larger mills plan to step up production appreciably in November and December. Women's wear mills are beginning to show Spring lines, most of them having completed deliveries of Fall merchandise.

Recent price advances on Summer goods have done much to improve sentiment in the market and further advances on various types of men's wear cloths are imminent. Average hourly earnings of wool goods workers are slightly above 48c. The index of employment in the industry continues to exceed the corresponding index for

all manufacturing industries combined by 14.5 per cent.

A situation similar in a great many respects to that in the cotton textile trade exists in the rayon industry. The absence of any reserve stocks of viscose yarns is annoying buyers, who have been complaining about delays in deliveries now that shipments are being made from current production. September deliveries of yarns were below those of August, a month of record shipments. The fact that unsold stocks were exhausted early in September limited shipments to new production, and thus reduced the supplies available.

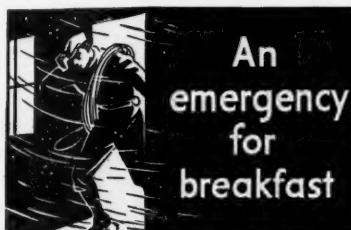
Rayon Yarns Scarce

While some slackening in yarn demand is anticipated, since mills have covered their needs for Spring volume lines fairly well, yarn producers are sold up for the balance of the year. In all probability end-of-the-year stocks of viscose process yarns will be the lowest in the history of the in-

dustry. For this reason, it is believed that a falling-off in demand in November and December, when books will be opened for the first 1937 orders, would be welcomed because of the opportunity it would give producers for building up stocks.

Reductions in prices on acetate yarns stimulated activity in that field. Hitherto demand for yarns of this type had been lagging. The new price lists, coupled with the trend to fabrics, made of acetate, resulted in a real upturn in sales. More acetate warp goods are to be found in the Southern resort lines of fabric houses than in past seasons. Acetate and silk Summer suitings are being offered in wider variety.

Cuprammonium yarns are definitely scarce. Production is sold up tight until the end of the year. Mill men are unable to get yarn which they would like to use in Spring dress goods. Knitters complain that they cannot get their requirements filled. Some observers are of the opinion that



Telephone bells ring. Operators, installers, linemen, construction men tumble out and hurry to their stations. There's an emergency to be met—a fire, flood, tornado, dust storm, blizzard or explosion. No matter what it is, the telephone folks will be there, handling the increase of traffic, putting back the lines, keeping your service going. You can depend on the Bell System to give you the best service possible under all conditions, emergency or normal.



BELL TELEPHONE SYSTEM

twice the quantity of cuprammonium yarn now being produced in this country could be absorbed by the market.

Takings of raw silk by American mills in September amounted to 45,709 bales. This was the largest consumption in any month this year and the best since October of last year. Stocks in Japan on September 30 were estimated at 78,000 bales, or 1,000 less than the previous month. At the end of September 40,700 bales of Japanese silk were afloat for this country, or 1,600 under the end-of-August total and 8,000 bales less than a year ago.

Silk prices during the month were higher, opening at \$1.66 for the standard 78 per cent seriplane and closing at \$1.76 to average \$1.70 for the month. The Japanese Department of Agriculture and Forestry reports the 1936 Spring silk cocoon crop at 41,392,474 kwamme, of which 73 per cent was white cocoons and 27 per cent was yellow. This figure represents a decline of 2,783,000 kwamme, or 6.3 per cent, from the 1935 Spring crop figure.

The expected Fall upturn in the hosiery business is well under way. During the first eight months of the year hosiery manufacturers shipped out 10 per cent more merchandise than for the same period in 1935. Production is well balanced with shipments, and stocks on hand are by no means excessive. Mills, it is apparent, are active but manufacturers are not satisfied with profits.

Carpet and rug mills are actively employed and a number are well sold ahead. The recent price advances are being absorbed by the trade. Wholesalers who acquired stocks at low prices some months ago are now unloading these to retailers and are getting the bulk of the spot business. This situation will soon correct itself, for buyers as a whole, realize that prices are definitely headed higher, as a result of the continued scarcity of good grade carpet wool.

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Statement of Condition,

September 30, 1936

RESOURCES

CASH AND DUE FROM BANKS	\$ 761,871,603.45
U. S. GOVERNMENT OBLIGATIONS, DIRECT AND FULLY GUARANTEED	765,601,423.48
STATE AND MUNICIPAL SECURITIES	92,284,190.54
OTHER BONDS AND SECURITIES	182,358,460.75
LOANS, DISCOUNTS AND BANKERS' ACCEPTANCES	661,968,786.91
BANKING HOUSES	37,796,134.61
OTHER REAL ESTATE	4,184,996.72
MORTGAGES	9,310,861.59
CUSTOMERS' ACCEPTANCE LIABILITY	14,835,804.61
OTHER ASSETS	38,218,048.83
	<u>\$2,568,430,311.49</u>

LIABILITIES

CAPITAL FUNDS:	
COMMON STOCK	\$100,270,000.00
SURPLUS	100,270,000.00
UNDIVIDED PROFITS	20,963,373.00
	<u>\$ 221,503,373.00</u>
RESERVE FOR CONTINGENCIES	12,544,319.82
RESERVE FOR TAXES, INTEREST, ETC.	1,060,559.34
DEPOSITS	2,290,888,855.27
ACCEPTANCES OUTSTANDING	16,825,585.31
LIABILITY AS ENDORSER ON ACCEPTANCES AND FOREIGN BILLS	6,981,785.49
OTHER LIABILITIES	18,625,833.26
	<u>\$2,568,430,311.49</u>

United States Government and other securities carried at \$97,141,921.44 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

GENERAL BUSINESS CONDITIONS

BY DISTRICT OFFICES OF DUN & BRADSTREET, Inc.

Atlanta During September retail sales showed a sharp rise, as the result of more seasonable weather, going 18 to 20 per cent over last season's. Wholesale trade was very brisk in all lines, with orders generally larger than a year ago. In rural sections trade has shown an increase. Building continued active, particularly in residential construction.

Baltimore Stimulated by improved weather conditions, the business picture took on a brighter aspect during September. Retail distribution resumed a more vigorous stride, and interest shifted to new Fall offerings. Reports from the durable goods industries were indicative of expanding requirements. Demand increased for steel sheets, tin plate, rod-steel, and wire, the major products of local steel plants. Some difficulty was being experienced in making desired deliveries.

Binghamton Retailers in the clothing line reported that the Fall business was well under way, with prospects encouraging, as sales are running ahead of those of a year ago. Wholesalers of food products received an increased volume of business. In the shoe industry, sales have been about equal to those of a year ago.

Boston The cotton goods division of the textile trade was the center of interest during September, due to the exceptionally heavy trading. Business in the woolen branch continued slow, but most industries, including the important shoe and leather business, went forward and the trend of New England trade was toward greater volume.

New England department stores during September showed a gain of 13 per cent over September,

REGIONAL TRADE BAROMETERS

Owing to the unexpected delay encountered in assembling the necessary statistics for the construction of a separate index for each of the twenty-nine regions into which the country has been divided, the inauguration of the "Regional Trade Barometers" has been postponed until the November issue. In each succeeding month these new barometers for measuring trade by regions will appear in conjunction with the usual General Business Conditions section, based on the reports from the district offices of Dun & Bradstreet, Inc.

1935. Sales for the first nine months of 1936 were 9.6 per cent ahead of last year's total.

Buffalo Production of steel ingots and of pig iron maintained previous high levels during the month. Construction contracts let showed substantial gains. Local cement plants report sales this year averaging 36 per cent ahead of 1935. Manufacturers and distributors of plumbing supplies in the Buffalo area are currently receiving the biggest volume of business since 1930, with an average gain of 25 per cent over a year ago.

Chicago Retail demand for apparel and house-furnishings continued strong all month. Wholesalers reported no let-up in the influx of orders for holiday goods, and all kinds of cold weather needs. Industrially, Chicago still is on the upgrade. In the local steel district, despite the lack of mill buying interest, tonnage requirements of consumers continued heavy. Furniture manufacturers reported the largest backlog of orders in seven years.

Cincinnati Department store sales continued at a favorable rate, showing improvement over the preceding month and, in some cases, as much as a 23 per cent increase over September, 1935. Collections are good, and a continuation of the favorable rate of increase for the remainder of the year is indicated.

Wholesale dry goods sales likewise showed an increase over the preceding month, and as much as 15 per cent increase over the same period in 1935. In the metal trades, while shops still were busy on old orders, in some cases working overtime, there was a falling-off in inquiries. Production, however, was well ahead of last year's.

Cleveland Business and industry wound up its best third quarter since 1930, and for some industries the best since 1929, and is looking into the final quarter with continued optimism. Iron and steel production began to feel the effect of renewed automobile buying. The heavy demand for electric current reflected the higher industrial activity. Retail buying continued above 1935 by 10 to 18 per cent. Collections showed a small but steady gain. Bank debts increased.

The important paint and varnish industry, which should now be approaching its dull season, has encountered no decline in production, which is about 20 per cent over last year's.

Dallas Retail gains continued during September, as compared with the corresponding period last year, sales increases running between 15 and 25 per cent. Practically all wholesalers and retailers, particularly department, apparel and specialty stores, are well ahead for the year, and many are entering the Fall season with profits for the first time since 1929.

Despite heavy rains, which caused damage in some parts of the State, the agricultural situation remains favorable and is one important factor in the improvement in wholesale trade. Active building has directly benefited lumber

and supply dealers, furniture stores, and employment.

Dayton Total pay rolls for Dayton for the first nine months of this year amounted to \$52,236,878, as against \$41,089,045 for the corresponding period of 1935, an increase of \$11,147,833. Residential building here for the first eight months of 1936 has progressed at approximately double the amount accomplished during the same period of 1935. The work included all classes of homes, ranging from four-room cottages costing \$2,500 to \$3,000, to expensive residences.

Detroit Retail sales ranged 10 to 18 per cent above the corresponding period of last year. Reflecting the sustained retail activity, wholesale volume continued at a high rate, about 18 to 20 per cent above the corresponding month of 1935. Delivery delays and shortages in some lines prompted retailers to order in advance their future requirements.

Automobile activity started upward during the final week of September, as the majority of manufacturers were in production of 1937 models. Dealers, as the result of intensive sales campaigns, have materially reduced used-car inventories and are in fairly satisfactory shape to handle the new models.

Erie During September both retail and wholesale volume maintained gains inaugurated some time ago, and there was no recession in industrial production. The labor situation is undergoing steady improvement, building is expanding, and collections are satisfactory.

Fort Wayne Department stores reported their volume during September as in excess of that of the same month of 1935. Clothing stores had a better business during September than last year, and general conditions continue to be favorable. More corn is being cut this year than ordinarily, because of the shortage of good feed; the corn crop in Allen County is about 70 per cent of normal.

Indianapolis Retail sales were active during September, showing a gain of 15 to 20 per cent over the same period of last year. Manufacturing operations continued active and collections were good.

Jacksonville Wholesale business was unchanged during the month. Retail sales were affected by the heavy rains in this section, but were above last year's.

Citrus has commenced its general movement. The first oranges have brought fairly good prices. Grapefruit prices have been a little low. Of vegetables, beans have seen the largest movement, but prices so far have been only fair.

Kansas City Business in most wholesale lines improved considerably during September, with the result that volume was appreciably ahead of a year ago. Gains were especially marked in women's wear and dry goods. The Fall market week which was held during the week just closed attracted a considerable number of country merchants to the city, and buying appeared to be heavier than it has been for some time, as former orders placed have been on a hand-to-mouth basis.

Gains in retail sales were reported by the leading department stores, furniture stores, and electrical appliance houses. The increase appeared to have been general in practically all lines.

Los Angeles Trade at retail in this district closed the quarter with a definite resumption of the upturn experienced in July. Business, on the whole, displayed activity and volume was well above this period of last year. Wholesale buying continued active, though the seasonal peak in some lines was passed. Volume likewise held above 1935, and in some goods a shortage of supplies was reported.

Manufacturing and industry continued apace, with no evidence of let-down in major lines. Employment improved slightly and industrial power consumption again exceeded all comparative periods. Building in September

was more than double last year's in value.

Louisville The general trend in business locally and in the surrounding territory continued satisfactory during September. Wholesalers of hardware and other allied lines were ahead of last year, and wholesale grocery orders were about 10 to 15 per cent larger, with prices increasing. Collections in all lines of business continued good.

Memphis Cotton is being marketed, almost as fast as picked and ginned, at very satisfactory prices. Returns, including the seed, approximating from \$75 to \$100 per bale, have brought a large inflow of funds into the section. Banks here have the largest deposits in their history, and the same is true of the territory, with the resultant beneficial effect on purchasing power. There has been some increase in demand loans, chiefly for crop-moving purposes, but by no means proportionate with the expansion of loanable funds.

Minneapolis A partial adjustment of labor difficulties in important industries toward the close of September tended to invigorate the local industrial situation. Although still below normal, flour shipments increased, and new orders were taken in fair amount. Manufacturers of furniture, oil heating apparatus, linseed oil, silk textiles and other miscellaneous lines were active, and numerous small industries did a better volume than for several years. Improved agricultural income continues to be a potent influence on the rising trend of retail sales.

Newark Distribution at retail attained higher levels in most lines than prevailed in the comparative period a year ago. New building, mostly for residential use, continued on a slightly larger scale, but consisted of one and two-family houses for the greater part.

Manufacturers of radio tubes and parts had better orders than for some time. Metal specialties and manufacturers of advertising

novelties reported orders larger in amounts, with volume the best in several years.

New Haven More plants increased to three-shift schedules during September. The building line showed continued activity, and is expected to surpass the records of the previous five years.

The retail situation was described as surprisingly good, and the trend indicates an unusually large volume for the holidays. Employment conditions are far more satisfactory than has been the case for three years. Many plants are taking on new help daily.

Norfolk Sales in virtually all retail lines, but notably in clothing and department store items, were well above those of both the previous month and September, 1935. This increased retail activity, as well as good crop prices, was readily perceptible in the broader wholesale buying.

Lumber manufacturing, which is well ahead of last year, is going ahead with the assumption that this section is in for a minor building boom. Brick kilns have been unable to meet the widened demand. Crop conditions are favorable.

Omaha Cool Fall weather ushered in an active retail trade during September. Department stores, women's and men's wear stores and allied lines all reported a material increase in sales, carrying totals well over last year's. Gains in wholesale volume nearly were on a par with those in the retail division. Building material houses reported a very active business; in some cases, their volume ran up to 40 and 50 per cent over last year's.

Philadelphia Aided by special promotions, department store sales ranged approximately 15 to 18 per cent ahead of the comparable period last year, while many men's and women's apparel stores registered even wider gains. Retail sales of new passenger automobiles were at a relatively low level, but for the year to date were

substantially ahead of any back to 1929.

Reports from local factories were predominantly favorable during September. In textiles, cotton goods held the limelight. More than one house in the trade reported that in point of volume the month ranked among the greatest in the history of the cotton business. As the mills were already heavily booked ahead, the additional yardage contracted for extended the backlog of unfilled orders well into the first quarter of 1937.

Pittsburgh Retail trade assumed a brisker pace during September, though buying of heavy apparel lagged. Continued heavy pay rolls assure a much increased buying power over a year ago and most retailers have bought in expectation of a good turnover. Retail sales for September averaged 16 to 20 per cent ahead of last year's.

Industrial activity remained at the highest level in six years. Steel production and finishing schedules showed no let-down. The volume of new business at least equalled shipments and, in some instances, backlogs were built up. There are signs that the rapid rise in steel scrap prices has been checked.

Portland, Ore. The fifteen-day truce declared by labor and employers in the maritime strike situation has considerably encouraged local industry. In the meantime lumber production and shipments have increased, inventories of dealers being extended in fear of eventual interruption of transportation.

Local wholesalers of general merchandise anticipate a further acceleration of trade, due to the rehabilitation of the nearby territory destroyed by the general conflagration late in September. General retail trade increased 10 to 15 per cent over that for the corresponding period of 1935.

Richmond Industrial and commercial activity continued to regis-

ter satisfactory improvement in September. Volume of manufacturing, in nearly all lines, was well ahead of that of a year ago. Building and construction work represented larger totals than at any time in the past six years. Skilled labor was well employed, and demand for unskilled workers was decidedly better. In both wholesale and retail lines, Fall trade registered a sizable increase over the volume of a year ago.

Rochester Passenger car sales for September numbered 1,048, exceeding every September on record, and were 58 per cent ahead of September, 1935. Building permits issued in the Rochester district during the month amounted to \$602,026, against \$251,328 for September, 1935, a 140 per cent increase. Residential building was a major factor contributing to the advance. Life insurance ordinary paid-for sales reached \$3,323,625, against \$2,753,772 during September, 1935.

St. Louis Business activity during September, as reflected in direct reports and industrial indices, continued to move forward in most divisions of trade. Retail volume in general advanced about 12 to 17 per cent over the 1935 comparative period.

Industrial activity continued on a very favorable plane. Mining activity in the tri-state area was featured by the largest shipments of lead in ten weeks. Loadings of freight recorded another new high mark since 1930. September output of electricity increased 17 per cent over September a year ago, and the number of telephones in use also showed a gain.

St. Paul A sudden spurt of cold weather during the week brought out large crowds of buyers into retail trade channels for Winter merchandise of all kinds, with the result that sales exceeded the similar period last year by 18 to 22 per cent. The influx of orders from country merchants, caught short of merchandise, brought dollar value of goods shipped by

wholesalers 15 to 20 per cent above the 1935 figures. Industrial concerns generally operated well up to capacities.

Salt Lake City The highest tonnage of sugar beets per acre ever harvested in this district will be produced this year. The 1936 season also will see one of the highest percentages of sugar content in the beet crop.

Sales of scales, retail store refrigeration units, show cases, and kindred equipment have been very good. Units show an increase in volume of 25 per cent over last year's. Sales of large weighing units for mines and industrial companies also have been larger.

San Francisco Trade reports reflected a good month in business. There was a buoyancy in both wholesale and retail lines. Lumber and steel are better situated than a year ago and demand held up unusually well. Industrial activity showed no let-down, except that of a seasonal nature. Eastern sales of California wines are reported approximately 80 per cent greater than last year's. The California barley crop has been forecast at 31,052,000 bushels, against a 1935 production of 36,983,000 bushels; the market price is substantially higher than a year ago.

Seattle Retail merchants reported Fall buying in full swing, with the volume of sales continuing to register satisfactory gains over the comparative 1935 period. Men's wearing apparel showed large gains and business was reported active in department stores. A feeling of confidence on the part of both buyers and sellers in the continued steady uptrend, with the prospects of increased purchasing power, are believed to be factors underlying the release of large sums of money through retail channels.

Northwestern shipping showed heavy movement of cargo, credited chiefly to the desire of companies to dispatch their commodities before the end of the month. The

continuation of the longshoremen's agreement to October 15 has served as an incentive to dispatch cargoes before that date.

Syracuse Consumption of electric current for industrial and commercial uses showed a gain in September of 22 per cent over the same month of 1935. In other ways there is evidence of steady improvement in business conditions. Retail stores reported a brisk demand for Fall merchandise, while dealers in food products found a material gain in net sales for the month. The production of typewriters, food containers, and electric washing machines continues at a good rate.

Tacoma A new rush got under way in retail trade along the Pacific slope in September, lifting the volume of sales to the highest levels of the recovery period, barring Christmas and Easter. Tacoma department stores indicated an increase of 16.2 per cent over September, 1935, and a gain of 12.5 per cent for the period.

During the season of 1936, travel to Mount Tacoma and Rainier National Park for the year ending September 30, set an all-time high record. Visitors totalled 317,345 in 81,165 cars, registered at the four entrances to the park. This is an increase over 1935 travel of 78,036 visitors, or 32.6 per cent.

Toledo For every week during September, the total of employed was higher than that for the period immediately preceding. Most of the gain occurred in the automobile parts industry, as schedules were set ahead to hasten shipments to motor car makers starting production on 1937 models. Foundries and machine shops practically were at capacity.

Unusually large gains were recorded for retail sales over the volume for September, 1935, when the trend of demand generally was downward. Domestic cotton goods, apparel, shoes, furniture, house-furnishings, and groceries attracted chief interest.

Wichita During the month retail

sales in most every line showed good increases. Crop conditions through this territory have become more favorable, and this has helped the attitude of the buying public materially. Local credit men in most every line report that conditions have shown an improvement in recent months.

LAWFUL DISCRIMINATION UNDER THE ROBINSON- PATMAN ACT

continued from page 8

mines that such otherwise valid discrimination has become unjustly discriminatory or is promotive of a monopoly and establishes quantity limits beyond which no further price discrimination can be made. Recourse, however, may be had from such a decision, for Federal Trade Commission decisions may be appealed to the Federal Courts.

While this proposition may seem relatively simple, its precise application is exceedingly difficult. In a sense, competition is nothing but a continual process of endeavoring to inflict injury. Just how much and what form the injury must take will only become clear through the actual operation of the law.

If conversely, the Act may be regarded as intended to preserve competition, the problem of relative efficiencies may have to be faced. In the illustration of manufacturer X, how far can X go in his discrimination against large retailer B in order to permit the customers of wholesaler A to compete with B, before he begins to encourage inefficiency and high cost in A or in B at the expense of the consumer?

The net result of the Act is to place great responsibility upon the Federal Trade Commission and upon the courts. They are charged with the duty of seeing that competition is preserved, that competitors are not unfairly discriminated against, that efficiency is preserved in the field of distribution and that the consumer is protected.

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